

Morehead State University
Board of Regents Meeting

Thursday, June 9, 2011
9 a.m.

Riggle Room, Adron Doran University Center

Morehead State University
Board of Regents Members

John C. Merchant, Chair

Paul C. Goodpaster, Vice Chair

Lindsay R. Adkins

James H. Booth

Julie A. Butcher

David V. Hawpe

Cheryl U. Lewis

Sylvia L. Lovely

Ronald D. Morrison

Patrick E. Price

Terry E. White

Wayne D. Andrews, President

**Board of Regents Meeting
Morehead State University
Riggle Room, Adron Doran University Center
9 a.m., Thursday, June 9, 2011**

Agenda

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. BOR ACTION AGENDA FOR 2011-12**
- IV. ADOPT RESOLUTIONS OF COMMENDATION FOR LINDSAY ADKINS AND SYLVIA LOVELY**
- V. REPORT ON STUDENT GOVERNMENT ASSOCIATION – Lindsay Adkins**
- VI. RATIFY RESOLUTION OF COMMENDATION FOR EAGLES BASKETBALL TEAM**
- VII. APPROVE POSTHUMOUS AWARDING OF FOUNDERS AWARD FOR UNIVERSITY SERVICE TO LUCILLE CAUDILL LITTLE**
- VIII. PRESIDENT'S RECOMMENDATIONS AND REPORTS**
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B. Executive Session

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1. BOR Work Session, Thursday, August 25, 2011, 9 a.m. (Ribbon Cutting for Recreation Center)
2. BOR Quarterly Meeting, Thursday, September 15, 9 a.m.
3. Governor's Trusteeship Conference, Lexington Marriott Griffin Gate, Friday, September 23

X. ADJOURNMENT

RESOLUTION HONORING LINDSAY R. ADKINS

**BOR (IV)
June 9, 2011**

WHEREAS, Ms. Lindsay R. Adkins, of Ashland, Kentucky, has served with distinction as the student member of the Board of Regents of Morehead State University since July 1, 2010; and

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

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

WHEREAS, Ms. Adkins' personal example inspired her fellow students to become more involved in the legislative budget process; and

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

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Ms. Lindsay R. Adkins be and hereby is commended for her year of honorable and outstanding service on the Board of Regents and for her leadership of the Student Government Association.

Done this ninth day of June 2011.

John C. Merchant, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

**RESOLUTION HONORING
SYLVIA L. LOVELY**

**BOR (IV)
June 9, 2011**

WHEREAS, Ms. Sylvia L. Lovely has served with distinction as a member of the Board of Regents of Morehead State University from 1999 to 2011; and

WHEREAS, Ms. Lovely's tenure included service as chair of the Board of Regents from 2008 to 2010; and

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

WHEREAS, Ms. Lovely's two full terms as a board member reflected her professional collegiality and dedication to academic excellence and her abiding concern for the welfare of the entire University community;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Ms. Sylvia L. Lovely be and hereby is commended for her 12 years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for her efforts.

Done this 9th day of June 2011.

John C. Merchant, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

BOR (VI)

RESOLUTION HONORING BASKETBALL EAGLES **June 9, 2011**

WHEREAS, the University's men's basketball team under the direction of MSU alumnus Donnie Tyndall won the Ohio Valley Conference Tournament with an 80-73 victory over Tennessee Tech on March 5, 2011, at Municipal Auditorium in Nashville, Tennessee.; and

WHEREAS, the team finished the regular season with a 13-5 conference record to earn an OVC Tournament double-bye and second place in the final standings and a school record-tying 25 overall wins; and

WHEREAS, the team advanced to the NCAA Tournament and upset fourth-seeded Louisville 62-61 at the Pepsi Center in Denver, Colorado. March 17, 2011, and advanced to play Richmond on March 19, 2011; and

WHEREAS, the men's basketball team squad members include Kenneth Fariel, Demonte Harper, Sam Goodman, Ty Proffitt, Terrance Hill, Lamont Austin, Drew Kelly, Arthur McMillan, Reggie Williams, Kevin Gray, Dionte Ferguson, Romaric Lasme and Taylor Maze; and

WHEREAS, Coach Tyndall's talented staff includes Associate Head Coach Wade O'Connor, Assistant Coach Joseph Price, Assistant Coach Adam Howard and Graduate Manager Maze Stallworth; and

WHEREAS, Kenneth Fariel was named Ohio Valley Conference Player and Defensive Player of the Year, NABC National Defensive Player of the Year and eight different All-American honors; and

WHEREAS, Demonte Harper was named First Team All-Conference and OVC Tournament MVP and Ty Proffitt was named CoSIDA Academic All-District

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Head Coach Donnie Tyndall and the members of the 2010-11 Eagle men's basketball team be and hereby are commended for their exemplary achievement in winning the Ohio Valley Conference championships and advancing to the NCAA Tournament. Be it further resolved that the University expresses its sincere appreciation of their academic, athletic and personal standards.

Done this ninth day of June 2011.

ATTEST:

John Merchant, Chair

Carol Johnson, Secretary

Wayne D. Andrews, President

**2011 FOUNDERS AWARD
FOR UNIVERSITY SERVICE**

**BOR (VII)
June 9, 2011**

Recommendation:

That the Board of Regents approve the selection of Ms. Lucille Caudill Little as the posthumous recipient of the 2011 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; and Dr. Jack D. Ellis, 2010.

The University Service Award Committee has recommended that Ms. Lucille Caudill Little be the recipient posthumously of the 2011 Founders Award for University Service.

Lucille Caudill Little, a native of Morehead and member of a distinguished Rowan County family, was a teacher, singer, actress, director and philanthropist. She gave of herself to improve the educational and cultural life in eastern Kentucky.

She was one of five children born to Daniel Boone Caudill, a prominent Morehead banker, attorney, businessman and circuit judge, and his wife, the former Rosetta Proctor. At age 10, she began studying during the summers at the Cincinnati Conservatory of Music. Later she studied at the University of Kentucky, Ohio State University, Juilliard School of Music and Columbia University.

After launching a successful professional career in New York City as a recitalist and vocalist, she determined that the New York scene was not for her and returned home. She began sharing her talents as a teacher of music and speech at what

was then Morehead State Teachers College, where she was instrumental in starting our theatre department, serving as the first member of the theatre faculty.

Following her marriage in 1937 to W. Paul Little, a Lexington horseman and land developer, she began working with the local arts community, fostering a love of the arts wherever she could. Her passion for the performing arts led her to becoming Kentucky's most dynamic patron of the arts. In 1994, Mrs. Little funded a \$1 million endowment to support the visual and performing arts, the largest gift in the University's history at that time. This started a flow of gifts to MSU that has changed the face of arts education.

During her lifetime, her generous contributions were numerous. On our campus, the Caudill College of Humanities, Arts and Social Sciences, the Little Bell Tower and the Little Theatre all bear her name.

Posthumously, The W. Paul and Lucille Little Foundation has provided multiple millions of dollars for arts and arts education at Morehead State University. Most recently, MSU received a \$2.5 million grant from the W. Paul and Lucille Caudill Little Foundation to establish the W. Paul and Lucille Caudill Little Endowment for Study of the Arts, which will provide scholarships for MSU students primarily from Rowan or Elliott County who pursue a baccalaureate degree in art, music and theatre.

Thousands of students have benefitted from her generous support of the performing arts and because of the sizable endowments in her name, this legacy will continue for generations. It is fitting that Ms. Little be recognized for her outstanding service to the University.

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY
March 10, 2011**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, March 10, 2011, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. In the absence of Board Chair John Merchant, Vice Chair Paul Goodpaster presided.

CALL TO ORDER

Vice Chair Goodpaster called the meeting to order.

ROLL CALL

On roll call, the following Board members were present: Lindsay R. Adkins, Julie A. Butcher, Paul C. Goodpaster, David V. Hawpe, Cheryl U. Lewis, Sylvia L. Lovely, Dr. Ronald D. Morrison, Patrick E. Price, and Terry E. White. James H. Booth and John C. Merchant were unable to attend.

PRESS

Jason Blanton, Director of Media Relations, introduced Dan Conti with Morehead State Public Radio.

**NOMINATING
COMMITTEE
REPORT**

Mr. Goodpaster recognized Julie Butcher who, in the absence of the Ad Hoc Nominating Committee Chair James Booth, presented the Committee's report. In addition to Mr. Booth and Ms. Butcher, the Committee membership also included Pat Price. Ms. Butcher said that the Committee conferred by telephone and unanimously recommended that the current officers be reelected and moved to reelect/reappoint the following officers:

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

Mr. Hawpe seconded the motion. The motion carried.

**RESOLUTIONS OF
COMMENDATION
FOR ATHLETIC
TEAM EXCELLENCE**

Mr. Goodpaster said that three Resolutions of Commendation for Athletic Team Excellence were being recommended for Board approval. The resolutions were for the following teams:

- The University's cheerleading team won the Varsity/UCA National Championship on January 15, 2011, at Walt Disney World in Orlando, Florida (*Resolution attached and marked BOR IV*)
- The University's soccer team won the Ohio Valley Conference Championship with a 2-1 victory over Austin Peay on November 7, 2010, at Jayne Stadium in Morehead (*Resolution attached and marked BOR IV*)

- The University's volleyball team won the 2011 Ohio Valley Conference regular season with 17-1 OVC record, earning the right to host the 2011 OVC Volleyball Tournament (*Resolution attached and marked BOR IV*).

Ms. Butcher moved that the Board approve the Resolutions of Commendation. Mr. Price seconded the motion. The motion carried.

The coach and team captain from each sport were presented a framed resolution and team members were presented copies of the resolutions.

Dr. Andrews commended Brian Hutchinson on the outstanding job he is doing as Director of Athletics. The University just received the Ohio Valley Conference Academic Achievement Award, which measures the percentage of students on the Commissioner's Honor Roll. The institution that has the highest percentage receives the award. Morehead State University has received the award 10 times out of past 20 years and 4 of the last 5 years. MSU has 120 student athletes on the Commissioner's Honor Roll.

The President recommended:

**HONORARY
DEGREE**

RECOMMENDATION: That the Board of Regents approve the awarding of the honorary degree of Doctor of Education to Elmer R. Smith at the Spring Commencement ceremony on May 14, 2011.

(Background information attached to these minutes and marked V.)

Dr. Andrews noted that Mr. Smith is president and owner of Interactive College of Technology in Atlanta. A native of Martin County, Kentucky, Mr. Smith received his B. S. in Business Education from Morehead State University in 1971. He and his late wife, Donna, who also was a Kentucky native and an MSU alumna, were actively involved in supporting their alma mater through providing funding to support the first ever endowed chair in the College of Business – the Elmer and Donna Smith Endowed Chair of Information Systems. In addition, Mr. Smith has made a significant pledge to the University's comprehensive capital campaign. Dr. Andrews shared a touching story of how Mr. Smith came to enroll at MSU.

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

VOTE: The motion carried.

BYLAWS

The Ad Hoc Committee recommended:

RECOMMENDATION: That the Board adopt the recommended changes to the *Bylaws*.

(Background information attached to these minutes and marked III.)

At the Board's November 18, 2010, work session, Chair Merchant appointed Paul Goodpaster to chair an Ad Hoc Committee to review the Board's *Bylaws*. In addition to Mr. Goodpaster, the Committee also included James Booth, Julie Butcher and Pat Price. Mr. Goodpaster discussed the Committee's recommendations and noted that the changes related primarily to the committee structure and included the following recommendations:

- Abolish the Academic Affairs Committee, the Administration and Fiscal Services Committee, and the Student Life and External Relations Committee since the Board functions as a committee of the whole.
- Change the membership of the Audit Committee as a result of abolishing the above committees. The Audit Committee will be chaired by the Vice Chair of the Board of Regents, and at least three other members shall be appointed by the Chair of the Board of Regents.
- Establish an Executive Committee which will act only in an advisory capacity and membership will consist of the Chair of the Board who will serve as Chair of the Committee, the Vice Chair of the Board, and three members appointed by the Chair, one of whom shall be the immediate past Chair of the Board if that individual continues to serve on the Board.

MOTION: Ms. Lovely moved that the Board adopt the proposed changes to the *Bylaws*. Mr. Price seconded the motion.

Dr. Morrison said that he supported the decision concerning the Audit Committee but saw no compelling reason to have an Executive Committee especially when its only specific task is the evaluation of the President.

Mr. Hawpe expressed concern about Article IX in the *Bylaws* that state that the Board can suspend the ten-day provision for amending the *Bylaws* upon a vote of the majority of the membership. Mr. Goodpaster indicated that this is a topic to be discussed later.

VOTE: The motion carried with Dr. Morrison voting nay.

CONSENT AGENDA

Mr. Goodpaster asked the Board if there were any items they would like to remove from the Consent Agenda for further discussion. Dr. Morrison asked that Item No. 2 on the revision of PAC-11, Faculty Scholarship, be removed.

Mr. Goodpaster opened the floor for a motion to approve the remaining items in the Consent Agenda.

MOTION: Ms. Lewis moved that the Board approve the following items in the Consent Agenda:

- Minutes of December 9, 2010
- Tenure with Promotions, 2011
- Tenure for Roger McNeil
- Personnel Actions
- Contracts for Banking Services

Dr. Morrison seconded the motion.

VOTE: The motion carried.

The President recommended:

**PAC-11, FACULTY
SCHOLARSHIP**

RECOMMENDATION: That the Board of Regents approve the revision to PAC-11, Faculty Scholarship.

(Revised Pac-11 attached to these minutes and marked VII-A-2.)

Provost Hughes noted that the change to PAC-11 was initiated when she first came to Morehead State University and approached the Faculty Senate about addressing the issue of research versus scholarship. For the past several years, more emphasis has been placed on the concept of scholarship and making it the scholarship of inquiry. The scholarship of inquiry would include not only traditional research but efforts in other fields including the arts where there is a different kind of problem solving and inquiry. This forms the foundation for faculty evaluation and best practices in education.

Dr. McCormick said that the Faculty Senate looked at best practices in making scholarship more inclusive and felt that the nature of scholarship at the departmental level was important and what that particular discipline views as scholarship.

Dr. Morrison said that he fully supported the change in the definition of scholarship.

MOTION: Dr. Morrison moved that the Board approve the revision to PAC-11, Faculty Scholarship. Ms. Lewis seconded the motion.

VOTE: The motion carried.

**QUARTERLY
FINANCIAL
STATEMENTS**

The President recommended:

RECOMMENDATION: That the Board accept the financial statements and amend the operating budget for the second quarter of the fiscal year that will end June 30, 2011.

(Second Quarter Financial Statements and additional background information attached to these minutes and marked VII-B-1)

Michael Walters, Vice President for Administration and Fiscal Services, stated that the University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of December 31, 2010, the second quarter of the fiscal year ending June 30, 2011. He introduced Kelli Owen, Director of Accounting and Financial Services, to provide an overview of the University's financial activities for the six months ended on December 31, 2010.

Ms. Owen stated that during the six months ending December 31, 2010, the University had a surplus of revenues over expenditures and transfers of approximately \$31.7 million. She said this level of operating surplus is expected at this time since most of the billings for the Spring 2011 semester are reflected in the tuition and fees revenue and only expenditures are reflected through December 31, 2010. She also stated that with the addition of a temporary employee, additional resources have been used to increase internal collection efforts and that past due accounts are being submitted more timely to the Department of Revenue. Ms. Owen also discussed changes that have been made to the account for the student laptop lease program and changes that have been made to more accurately account for the University's allowance for uncollectible accounts.

Mr. Walters said that Ms. Owen and her staff have done a great job in tightening up the process. Mr. Goodpaster also commended the Accounting and Financial Services staff for their good work.

Teresa Lindgren, Director of Budgets, discussed the Budget Amendments in the second quarter. The budget was increased by \$1,780,960 primarily due to revenue adjustments in government appropriations, sales and services of education activities, other sources, and fund balance allocations. She noted the following adjustments that impacted the operating budget by \$200,000 or more:

- Receipt of \$395,000 from CPE Comprehensive University Excellence Trust Fund Endowment Match Program. Funds were transferred to the MSU Foundation where endowment funds are managed.
- Allocation of \$650,000 from E&G Fund Balance to purchase furniture and equipment for the new Student Recreation Center. While the University will receive reimbursement from its project funds in Frankfort, funds had to be expended first.

- Allocation of \$223,914 from E&G Fund Balance for renovation, flooring, and purchase and installation of new lockers for football locker room.

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

VOTE: The motion carried.

The President recommended:

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

SERIES RESOLUTION

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

(Additional Background Information and Resolution attached to these minutes and marked VII-B-2.)

Mr. Walters said that the University's Comprehensive Housing Master 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 was Nunn Hall followed by Alumni Tower and Mignon Tower, which is currently in progress and scheduled for completion this summer. The fourth project, East Mignon, will be bid this spring and has an estimated scope of \$4.948 million. This project will be financed through the issuance of the University's General Receipts Obligations, 2011 Series A.

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

VOTE: The motion carried.

**SALE OF SERIES A
GENERAL
RECEIPTS
OBLIGATIONS**

**ORDER TO DISPOSE
OF REAL PROPERTY**

The President recommended:

RECOMMENDATION: That the Board approve the Order to Dispose of Property relating to the razing of buildings known as the WMKY House and the Oppenheimer House.

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

Mr. Walters said that authorization is being requested to raze two buildings originally constructed as private residences, which subsequently will be used for other purposes by the University. The first building known as the WMKY House was originally constructed in 1968 as a residence and was occupied as rental property by University faculty and staff. The building, which contains approximately 4,400 square feet of space, was converted for use as the operations, broadcasting and office site for the WMKY radio station. The building has been vacant since the radio station moved to Breckinridge Hall.

The second building known as the Oppenheimer House, located at the corner of 5th Street and Battson-Oates Drive, was acquired by the University in 1978. Estimated to be at least 75 years old, the house contains approximately 1,700 square feet of space. Originally, it was used as rental property for faculty and staff and later for office and storage space. The building has been vacant for several years.

In response to a question on the cost to remove the buildings, Mr. Walters advised that the cost, which includes some asbestos abatement in both buildings, will be approximately \$34,000.

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

VOTE: The motion carried.

**SPRING 2011
PRELIMINARY
ENROLLMENT
REPORT**

Beth Patrick, Chief of Staff and Vice President for Planning and Budgets, presented a preliminary report on Spring 2011 enrollment. Preliminary figures show that MSU's current headcount enrollment is 8,062 compared to 8,842 for fall 2010 or 91.2 percent of fall enrollment. Changes in the University's academic probation process beginning in fall 2009 and the fact that the University graduated approximately 75 more students in December 2010 have impacted the retention of students from fall to spring. *(Preliminary Enrollment Report attached to these minutes and marked VII-C-1.)*

**PERSONAL
SERVICES
CONTRACTS**

Mr. Walters reported on Personal Service Contracts representing those contracts that have been issued with amounts greater than \$10,000 between December 1, 2010, and February 28, 2011. One such contract was issued to Scannell and Kurz in the amount of \$63,000 to conduct an analysis of the University's scholarship program.

**2012-2018 SIX-YEAR
CAPITAL PLAN**

Ms. Lovely noted that such analyses are common across the country and help an institution maximize and strategically target scholarships and financial aid to achieve its enrollment goals.

Mr. Goodpaster asked that the firm's recommendations be shared with the Board.

Mr. Walters presented MSU's preliminary 2012-2018 Six-Year Capital Plan, which the University is required to submit to the Capital Planning Advisory Board and the Council on Postsecondary Education by April 15, 2011. This plan includes capital projects with an estimated scope of \$600,000 or more and equipment purchases with an estimated scope of \$200,000 or more. Projects included in the first biennia of the plan will be used as the basis for the development of the 2012-2014 Executive Budget Capital Request, which will be presented to the Board for approval this fall. The Six-Year Capital Plan will be submitted for the Board's ratification at the June 2011 meeting. *(Plan attached to these minutes and marked VII-C-3)*

**PRESIDENT'S
REPORT**

Dr. Andrews updated the Board on the following initiatives:

- **Enrollment** – Currently, the University has a significant increase in the number of applicants over last year. He noted that one of the recommendations of STAMATS, the national firm the University contracted with in 2009 to look at all of the University's marketing efforts, was that the University needed a larger applicant pool. As a result, the University has worked hard to increase the pool, and early key indicators are very positive for fall 2011 enrollment. *(Enrollment Report attached to these minutes and marked VII-D)*
- **Diversity Plan** – The University is in the final year of the *Kentucky Plan* in the Commonwealth of Kentucky. This plan was negotiated with the U.S. Office of Civil Rights and contains eight goals that relate in various categories to the enrollment and employment of Kentucky African Americans. MSU has met six of the eight goals which make the University eligible to submit academic degree program proposals for approval by the Council on Postsecondary Education through December 31, 2011. Each university is now developing its own diversity plan based on guidelines established by the CPE. MSU's Plan will be submitted to the Board for approval at a future meeting.
- **General Education Reform** – The General Education program will be fully implemented in fall 2011. Students coming to the University this fall will be under the new Gen Ed framework of 120 hours.
- **SACS Reaccreditation** – MSU's Quality Enhancement Plan (QEP) proposal entitled *Clear Thinking: Consider, Learn, Evaluate, Argue, Reflect* has been submitted. The SACS team will be visiting the campus March 27-30 and will review two areas: (1) to see if the University is in compliance with the SACS standards, and (2) to look at the QEP to determine if it is structured properly, is attainable, and can be financed. Several members of the Board of Regents will be interviewed by the team while the team is on campus.

- **Academic Advising** – Professional advising centers are being established in all of the colleges to help students increase their chances for success.
- **Profile of Freshman Class** – The average ACT of the 2010 freshman class is 21.5.
- **Developmental Education** – The University has hired an individual, Mike Howard, to lead developmental education. In addition, a developmental Web site has been created containing information about developmental policy, placement testing, along with individual course information. More than 80 students are expected to attend this year's Summer Success Academy, which is designed specifically for students with two or more developmental needs.
- **Honors Program** – Forty students have been accepted to the Honors Program for fall 2011. All 40 awarded the scholarship in 2010 are returning in 2011 for a total of 80 honors students in the new program.
- **Early College Program** – Thirty-three schools in MSU's service region have expressed an interest in the Early College Program and are in the process of planning for the implementation of the program in fall 2011.

Ms. Lewis expressed interest in having representatives from MSU come to Leslie County and other school districts outside the University's service region to present programs related to the Space Science Center. She said that many of the students in these Eastern Kentucky counties would be interested in the Space Science Program as well as other programs available at MSU. She also praised staff in the Office of Admissions for their assistance and helpfulness when she called recently.

DISCOVERY OF PULSAR

Dr. Andrews reported on Hannah Mabry's discovery of a pulsar. A junior at Rowan County Senior High School, Hannah is a student in Jennifer Carter's Astronomy Pulsar Search class. Students taking this class may elect to receive college credit through MSU's Early College Program. As part of the class assignments, the students analyze real data to find pulsars. On January 20, she became the first student in the Commonwealth of Kentucky to be credited with discovering a pulsar. With the precision of its spin rate, the particular kind of pulsar Hannah discovered is being used to calibrate atomic clocks for the Department of Defense and other agencies that require extreme time precision. Hannah has been awarded an undergraduate research fellowship and is planning to go into space science following graduation from high school.

ADJOURNMENT

There being no further business to conduct, Mr. Hawpe moved that the meeting adjourn at 11:30 a.m. Ms. Butcher seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

2011 SPRING GRADUATES

**BOR (VIII-A-2)
June 9, 2011**

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 2011 Spring Commencement on May 14, 2011, be ratified.

Background:

At the May 14, 2011, Spring Commencement, students were awarded degrees from Morehead State University. This included 79 associate degrees, 579 bachelor degrees, 134 masters degrees and one education specialist degree.

PROMOTION, 2011

BOR (VIII-A-3)
June 9, 2011

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 2011-2012 year:

Professor

Rebecca Katz, sociology
Clarenda Phillips, sociology

Librarian II

Sandy Sumner

Librarian III

Donna Baker

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, 2011

**BOR (VIII-A-4)
June 9, 2011**

Recommendation:

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

Bruce Mattingly, professor of psychology
Edward Reeves, professor of sociology
Eugene Hastings, professor of romance languages
Elsie Pritchard, librarian IV

Background:

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

SABBATICAL LEAVES, 2011-2012

**BOR (VIII-A-5)
June 9, 2011**

Recommendation:

That the Board of Regents approve the granting of sabbatical leaves pending funding for the following faculty:

Katy Carlson, English, Fall 2011
Thomas Kiffmeyer, History, Fall 2011

Background:

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

EDUCATIONAL LEAVES, 2011-2012

BOR (VIII-A-6)

June 9, 2011

Recommendation:

That the Board of Regents approve the granting of an educational leave for the following faculty members contingent upon funding being available within academic affairs.

Teresa Ferguson, assistant professor of nursing, 2012 Spring Semester

Teresa Howell, associate professor of nursing, 2011 Fall 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. Both faculty members are applying for an educational leave to continue pursuit and/or complete a doctorate degree within their respective discipline.

RATIFY PERSONNEL ACTIONS

**BOR (VIII-A-8)
June 9, 2011**

Recommendation:

That the Board ratify the Personnel Actions for the period February 16, 2011, through May 17, 2011.

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
 05/17/11

22

	<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	47.00	48.00	1.00	44.00	91.67
Division of Planning and Budgets	5.00	5.00	0.00	5.00	100.00
Division of Administration and Fiscal Services	111.58	111.41	-0.17	106.58	95.66
Facilities Management	154.70	154.70	0.00	145.70	94.18
Division of Student Life	115.15	124.15	9.00	111.15	89.53
Division of Academic Affairs	33.00	36.00	3.00	30.50	84.72
Caudill College of Arts, Humanities & Social Sciences	146.25	145.25	-1.00	138.25	95.18
College of Business and Public Affairs	71.50	66.50	-5.00	63.50	95.49
College of Education	92.50	91.50	-1.00	86.50	94.54
College of Science and Technology	176.00	176.00	0.00	173.00	98.30
Academic Programs and University Outreach	87.00	93.00	6.00	89.00	95.70
Camden-Carroll Library	38.00	38.00	0.00	34.00	89.47
	<u>1082.18</u>	<u>1094.01</u>	<u>11.83</u>	<u>1031.68</u>	<u>94.30</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
2/16/11 - 5/17/11

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
Hires								
Art & Design	Patsch, Jean	08/16/11		Asst. Prof. of Art Education	9	\$50,221.00	Full-Time Standing	New
Athletics-Men's Basketball	Dowling, Jareem	05/16/11	03/31/12	Assistant Basketball Coach	12	\$85,000.00	Full-Time Fixed, Probationary	New
English	Williams, Thomas	07/01/11		Department Chair & Prof. of English	12	\$95,000.00	Full-Time Standing	New
Foundational & Graduate Studies Education	Abell, Deborah	08/15/11	05/12/12	Assoc. Prof. of Education	9	\$58,000.00	Full-Time Fixed	New
Foundational & Graduate Studies Education	Templeton, Jenny	08/15/11	05/12/12	Instructor of Education	9	\$43,000.00	Full-Time Fixed	New
School of Business Administration	Nelson, Jonathan	08/15/11		Asst. Prof. of Management	9	\$88,000.00	Full-Time Standing	New
School of Business Administration	Shi, Bo	08/15/11	05/12/12	Visiting Asst. Prof. of Finance	9	\$97,000.00	Full-Time Fixed	New
Athletics-Men's Basketball	Howard, Christopher	04/01/11	03/31/12	Assistant Basketball Coach	12	\$50,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	O'Connor, Wade	04/01/11	03/31/12	Associate Head Basketball Coach	12	\$70,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Price, Joseph	04/01/11	03/31/12	Assistant Basketball Coach	12	\$66,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Tyndall, Donald	04/01/11	03/31/12	Men's Head Basketball Coach	12	\$230,000.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Hicks, Lindsey	04/01/11	03/31/12	Assistant Basketball Coach	12	\$35,000.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Hodges, George	04/01/11	03/31/12	Women's Head Basketball Coach	12	\$92,500.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Stefanopoulos, Christian	04/01/11	03/31/12	Assistant Basketball Coach	12	\$42,000.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	White, Eric	04/01/11	03/31/12	Assistant Basketball Coach	12	\$48,000.00	Full-Time Fixed	Renewal
Interim Appointments								
Retired Senior Volunteer Program	Judd, Teresa	04/01/11	05/31/11	Interim Director	12	\$38,898.00		
Leave Of Absence								
Facilities Mngt.-Building Services	Crum, Vernon	02/22/11	02/24/11	Building Services Technician	12	\$10.19	Without Pay	Suspension
Facilities Mngt.-Building Services	Crum, Vernon	05/09/11	05/13/11	Building Services Technician	12	\$10.19	Without Pay	Suspension
Postal Services	Wilson, Kyia	02/17/11	04/01/11	Postal Clerk	12	\$9.53	Without Pay	Medical
Promotions								
Art & Design	Kalk, Bethany	08/15/11		Asst. Prof. of Art & Design	9	\$45,000.00	Full-Time Standing	
Reassignments								
Early Child, Elementary & Special Ed.	Lacy, Denise	08/15/11	05/12/12	Instructor of Education	9	\$48,000.00	Full-Time Fixed	
Terminations								
Facilities Mngt.-Building Services	Butler, Tana	03/01/11		Building Services Technician	12	\$8.34		Discharge
Sociology, Social Work & Criminology	Kindell, Heather	05/14/11		Asst. Prof. of Sociology	9	\$44,500.00		Probationary Release
Multicultural Student Services	Botts-Butler, Francene	06/30/11		Director, Multicultural Student Services	12	\$70,294.00		Resignation
CDP/VT	Combs, Cheryl	04/16/11		Mental Health Counselor	12	\$33,645.00		Resignation
Athletics-Men's Basketball	Price, Joseph	04/28/11		Assistant Basketball Coach	12	\$65,000.00		Resignation
Middle & Secondary Education	Warsame, Kitty	05/16/11		Asst. Prof. of Education	9	\$43,000.00		Resignation
Accounting & Financial Services	Ford, Carol	04/30/11		Assistant Director for Student Services	12	\$59,052.00		Retirement
Facilities Mngt.-Motor Pool	Griggs, Danny	03/31/11		Bus Driver	12	\$14.71		Retirement
IRAPP	Reeves, Edward	08/30/11		Director of CERL & Professor of Sociology	12	\$101,376.00		Retirement
Counseling & Health Services	Smalley, Kathy	07/29/11		Secretary Specialist	12	\$15.59		Retirement
IT-Application Services	White, Sheri	03/31/11		Director of IT-Application Services	12	\$79,375.00		Retirement
Other								
IT-Application Services	Richmond, Steve	04/01/11		Director, IT-Application Services	12	\$80,983.00		Lateral Transfer
Athletics-Women's Volleyball	Goral, Gregory	02/28/11	12/31/11	Associate Head Volleyball Coach	12	\$38,000.00		Title Change
Total Number of PARs = 34								

SUPPLEMENTAL ACTIONS
2/16/11 - 5/17/11

Name	Title	Department/Office	Effective Date	Ending Date	Salary	Description
Ballard, Matt	Head Football Coach	Athletics-Football	04/15/11	04/15/11	\$4,400.00	Eagle Sports Network
Barker, Stephanie	Women's Head Golf Coach	Athletics-Women's Golf	06/12/11	06/17/11	\$500.00	Golf Academy
Faulkner, Samuel	Assoc. Prof. of Social Work	Research & Sponsored Programs	06/30/11	06/30/11	\$1,000.00	Administrative duties for IRB
Goral, Gregory	Associate Head Volleyball Coach	Athletics-Women's Volleyball	04/15/11	04/15/11	\$693.00	OVC Conference Championship
Gordon, James	Women's Head Volleyball Coach	Athletics-Women's Volleyball	04/15/11	04/15/11	\$4,000.00	OVC Coach of the Year/Conference Championship
Hodges, George	Women's Head Basketball Coach	Athletics-Women's Basketball	04/15/11	04/15/11	\$12,250.00	Vehicle Allowance/Eagle Sports Network
Howard, Christopher	Assistant Basketball Coach	Athletics-Men's Basketball	04/15/11	04/15/11	\$770.00	OVC Conference Championship
Hutchinson, Brian	Director of Athletics	Athletics	03/11/11	03/30/11	\$2,000.00	OVC Conference Championship
Hutchinson, Brian	Director of Athletics	Athletics	03/22/11	04/15/11	\$2,000.00	NCAA Tourney Victory
Jones, Melinda	Instructor of Education	Middle & Secondary Education	07/01/10	06/30/11	\$11,750.00	Instructing and coaching duties
O'Connor, Wade	Associate Head Basketball Coach	Athletics-Men's Basketball	04/15/11	04/15/11	\$1,154.00	OVC Conference Championship
Peterson, Kimberly	Asst. Prof. of Veterinary Technology	Research & Sponsored Programs	06/30/11	06/30/11	\$1,000.00	Administrative duties for IACUC
Price, Joseph	Assistant Basketball Coach	Athletics-Men's Basketball	04/15/11	04/15/11	\$1,058.00	OVC Conference Championship
Tyndall, Donald	Men's Head Basketball Coach	Athletics-Men's Basketball	04/15/11	04/15/11	\$35,100.00	NCAA-OVC Victory/ES Network/Vehicle Allowance
TOTAL NUMBER OF SUPPLEMENTALS = 14						

APPROVE APPOINTMENT OF AUDITING FIRM

**BOR (VIII-A-9)
June 9, 2011**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the extension of the auditing services contract with Dean, Dorton & Ford, PSC in Lexington to conduct the required annual audits for Morehead State University for the fiscal year that will end on June 30, 2011.

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. The proposal package was mailed to thirteen major accounting firms in the state. In addition, the process was advertised in the Lexington Herald Leader and posted on the University's current bid opportunity website. A pre-proposal meeting was conducted on campus on February 10, 2011 with prospective respondents to address questions and requests for additional information about the contract. The process closed on March 1, 2011. Responses were submitted by six firms:

- BKD, LLP from Louisville
- Blue & Company, LLC from Lexington
- Crowe Horwath, LLP from Louisville
- Dean, Dorton, Allen, Ford, PSC from Lexington
- Deloitte & Touche, LLP from Louisville
- Kelley, Galloway & Company, PSC from Ashland

The proposals were independently evaluated by the Internal Auditor, the Director of Accounting and Financial Services, the Assistant Director of Accounting and Financial Services, and the Finance Manager of the MSU Foundation. The evaluation factors were based on cost (40%) and technical (60%).

The Audit Committee met on March 29, 2011. Based on the evaluations, the Audit Committee recommends the Board approve the appointment of Dean, Dorton, Allen, Ford, PSC to conduct the annual audits. The contract will be awarded for the fiscal year that will end on June 30, 2011 with the option to extend the contract for four additional one year periods. The fee for the first year of the contract will be \$73,875. Fee adjustments for future contracts will be based on the consumer price index.

**APPROVE MINIMUM SCOPE
OF THE ANNUAL AUDIT**

**BOR (VIII-A-10)
June 9, 2011**

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, 2011.

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 March 29, 2011. The Committee approved the minimum scope of the audit.

**MOREHEAD STATE UNIVERSITY
MINIMUM SCOPE OF THE ANNUAL AUDIT
FOR THE YEAR ENDING JUNE 30, 2011**

June 9, 2011

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, 2011. 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, 2011 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, 2011. 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, 2011. 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, 2011.

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, 2011 (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, 2011 from the last day of field work (projected for late September 2011) to December 16, 2011. 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 19, 2011.

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 audit of the closing package forms, as well as a reconciliation to the audited financial statements of the information reported on the forms, shall include a report expressing an opinion on the specified elements, accounts, or items audited, in accordance with *Codification of Statements on Auditing Standards*, AU 623.11 through 623.17.
 - (f) If applicable, the Firm shall also obtain and submit management's summary schedule of prior audit findings and corrective action plan for current year audit findings.
 - (g) The reports described above should be presented in a manner prescribed by the AICPA Audit and Accounting Guide and OMB A-133. Notwithstanding the provisions of the AICPA Audit Guide, any "other matter" conveyed to management should be in writing, and a copy of that correspondence forwarded to the Auditor of Public Accounts.
2. The report on the University's financial statements is required to be delivered to the University by 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.

BACHELOR OF ARTS IN PUBLIC POLICY

**BOR (VIII-B-1a)
June 9, 2011**

Recommendation:

That the Board of Regents approve the proposal by the School of Public Affairs to create a Bachelor of Arts Degree in Public Policy.

Background:

The Council on Postsecondary Education (CPE) approved the Institute for Regional Analysis and Public Policy (IRAPP) in January of 1999 as Morehead State University's Program of Distinction. During the approval process with CPE, IRAPP was authorized to establish a bachelor's degree program along with the RAPP Emphasis (a collaborative undergraduate initiative). The RAPP Emphasis was initially established and is now being developed into the proposed baccalaureate program in Public Policy. The proposed B.A. in Public Policy is an expansion of existing RAPP curricular offerings in the School of Public Affairs.

The proposed program offers many strategic and practical benefits to MSU's students, faculty, staff and service region including:

- Attracting students to MSU who would otherwise not have attended due to the lack of a Public Policy major;
- Offering a practical and applied degree that is well-suited to providing students with the knowledge and skills necessary to help their communities and region move forward and prosper;
- Deepening the community development work, applied public policy research, and methods training of the RAPP Emphasis;
- Supporting the mission and goals of the University by promoting sustainable community and regional development, and involving students and faculty/staff in the service region; and
- Directly supporting MSU's pursuit "of academic excellence, research, and community engagement" through its rigor, applied orientation, and emphasis on personal involvement in the region. A deeper understanding public policy is crucial "to improving the quality of life" of eastern Kentucky.

The 39-hour B.A. in Public Policy will provide students with the knowledge and skills necessary to understand and affect public policy making in the United States, both domestic and international. Students will acquire the skills to study a wide range of policy areas together with an understanding of the policy making process and the interdependencies of local,

state, and federal governments in the development and implementation of policy. Students will be prepared for professional careers in any policy area in the public, non-profit, and private sectors, as well as for graduate study in all areas of public policy.

This curriculum proposal has been approved by the School of Public Affairs Undergraduate Curriculum Committee, Associate Dean, College Curriculum Committee, Dean, University Undergraduate Curriculum Committee, Provost and President.

BACHELOR OF SCIENCE IN VETERINARY TECHNOLOGY

**BOR (VIII-B-1b)
June 9, 2011**

Recommendation:

That the Board of Regents approve the proposal by the MSU Veterinary Technology Program for the Bachelor of Science in Veterinary Technology (VT-BS) degree.

Background:

The MSU-Veterinary Technology Program (MSU-VTP) began in 1975 and has been continuously accredited through the AVMA for the past thirty-three years. The MSU-VTP is one of the oldest veterinary technology programs of its kind in the United States. The MSU-VTP produces some of the best veterinary technicians in the country, and has graduates employed by such prestigious institutions as the University of Tennessee, Tuskegee University, the University of Kentucky, the University of Louisville, the University of Georgia; zoological parks in Washington, DC, Jacksonville, FL, Indianapolis, IN and Louisville, KY.; and in industries such as Proctor & Gamble and Ethicon Endosurgery. Numerous MSU-VTP graduates have continued their studies beyond the AAS and have graduated from colleges of veterinary medicine throughout the U.S.

The new AAS – Veterinary Technology Program was approved and adopted in the Spring semester of 2010, and we have enrolled our first class under this new program in the Fall of 2010. The AAS program is a six semester program, with two full semesters of general education courses prior to applying to the core Veterinary Technology curriculum. The following four semesters are the core Veterinary Technology courses. If the curriculum plan is followed appropriately, there would be only two semesters that would remain for a student to complete the Bachelor degree. We feel strongly at the program, department, and college level that this would enhance the ability and the desire for students to achieve the more advanced degree. Although the AAS is absolutely sufficient for employment in most veterinary practices and institutions, the VT-BS opens up a variety of opportunities that are generally not available to those with the AAS degree. The VT-BS degree allows students to obtain employment in veterinary practice management, research and development with pharmaceutical companies, colleges of veterinary medicine, and state and federal government regulatory medicine.

This degree is, academically, the natural progression after our Associate of Applied Sciences degree, which is accredited through the Committee on Veterinary Technician Education and Activities (CVTEA) of the American Veterinary Medical Association (AVMA).

This proposal has currently been approved by the AS Department Curriculum Committee, the AS Department Chair, the College of S&T Curriculum Committee, the S&T Dean, the University Curriculum Committee, the Provost, the President, and the CPE.

**BACHELOR OF ARTS IN
INTERNATIONAL STUDIES**

**BOR (VIII-B-1c)
June 9, 2011**

Recommendation:

That the Board of Regents approve the proposal by the Department of International and Interdisciplinary Studies to create a Bachelor of Arts Degree in International Studies.

Background:

Morehead State University strives to educate students for success in a global environment and promote diversity of people and ideas. To increase our student body's awareness of the world in which we live, in 2004 MSU implemented an interdisciplinary minor in International Studies. Student interest in the minor grew over the course of the last six years and now more than forty students are enrolled in the program. The popularity of international studies at MSU is not surprising and the numbers mirror regional and national trends.

Based on the success of the IST minor, the international studies program proposes that MSU add an interdisciplinary major in international studies. Much like the interdisciplinary minor, the proposed major would maximize the in-house faculty resources, with students taking both core and elective classes from already existing courses offered by various departments across campus. Additional course offerings are available through the variety of existing study abroad programs currently open to students who attend Morehead. IST courses are presently taught at MSU by faculty from a variety of disciplines, including history, criminology and geography.

As the 21st century now enters its second decade, it is becoming more imperative that students attain a global perspective. The interdisciplinary international studies programs are no longer unique and are becoming as ubiquitous as History and English departments across the region. For MSU to remain competitive with other institutions of higher education across the Commonwealth, MSU needs to implement a program that serves the goals of the university and which requires relatively few, if any, resources to bring online. The growth of similar programs throughout the area, as well as the increase in the number of IST minors, demonstrates that the program will be successful at MSU.

The Department Curriculum Committee, the Department Chair, the Deans of all four Colleges, the Undergraduate Curriculum Committee, the Provost and the President, all approved this curriculum proposal.

BACHELOR OF ARTS IN TRADITIONAL MUSIC

**BOR (VIII-B-1d)
June 9, 2011**

Recommendation:

That the Board of Regents approve the proposal by The Kentucky Center of Traditional Music to create a Bachelor of Arts Degree in Traditional Music.

Background:

In January 2010, Raymond McLain was hired as Director of The Kentucky Center for Traditional Music with a charge to develop and strengthen the Center. In addition to building up the archives and invigorating outreach, he was asked to build an academic program and to develop a Baccalaureate Degree specifically in Traditional Music. This effort is supported by Morehead State University. The University is in the process of remodeling the recently acquired former county library building to house the center. When completed, the building will contain appropriate offices, classrooms, exhibition space, a state of the art recording studio and a sound stage.

Morehead State University is the best and natural institution to create and house this degree because it:

- Is ideally located in the heart of the area in which much traditional music history has been made and where these traditions still live and are held dear by many
- Houses "The Traditional Music Archives," a library containing rare acquisitions relating to traditional music that are available to scholars for research
- Is staffed with faculty who are uniquely qualified to give instruction in this field
- Is academically responsible to the Provost through a Memorandum of Agreement with the Department of Music, Theatre and Dance
- Is culturally associated with the Folk Art Center at Morehead State University

This will be the only such degree offered in the Commonwealth of Kentucky.

This curriculum proposal has been approved by the Departmental Curriculum Committee, Department Chair, College Curriculum Committee, Dean, Undergraduate Curriculum Committee, Provost and President.

**MASTER OF ARTS DEGREE
IN GOVERNMENT/POLITICAL SCIENCE**

**BOR (VIII-B-1e)
June 9, 2011**

Recommendation:

That the Board of Regents approve the proposal by the School of Public Affairs to create a Master of Arts Degree in Government/Political Science.

Background:

The goal of this graduate program is to provide comprehensive field knowledge in the core sub-fields of political science as defined by the American Political Science Association: American government, political theory, public law, international relations, and comparative politics. This graduate program will provide a solid foundation for those aspiring to doctoral study in political science or for employment in government or politics. This program is consistent with strategic program priorities in MSU's mission statement and fulfills the mission statement of the School of Public Affairs, which is "to conduct research and educate students in the liberal arts tradition of social science excellence." The program is also consistent with the departmental goals to provide quality instruction, graduate competent students, conduct research, and provide service.

Government/Political Science is one of the graduate degree areas tracked by National Science Foundation for professional science graduate education, and this degree further enhances Kentucky's graduate capacity. This program will provide MSU government majors with the option of seeking graduate education in Government at MSU rather than at other universities within Kentucky (the University of Kentucky or the University of Louisville) or in other states. It will also provide government and other agency/organization officials in Eastern Kentucky an accessible educational option for professional advancement. It is likely that a significant infusion of students will enter the MSU system with the increased accessibility provided by a more proximate program.

Through this degree, more Kentuckians will enroll in and advance through higher education and be better prepared for life and work as a result. Kentucky communities will benefit from expanded research and development and through applied policy research that enhances community and economic development. Students will be employed in the politics and government field, which has been a strong area for employment even in the recent economic downturn. Graduates will also enter doctoral programs in political science.

This curriculum proposal has been approved by the School of Public Affairs Graduate Curriculum Committee, the School of Public Affairs Curriculum Committee, the Associate Dean of the School of Public Affairs, the College of Business and Public Affairs Curriculum Committee, the Dean of the College of Business and Public Affairs, the University Graduate Curriculum Committee, the Provost, and the President.

**MASTER OF ARTS IN
SPORT MANAGEMENT**

**BOR (VIII-B-1f)
June 9, 2011**

Recommendation:

That the Board of Regents approves the proposal by the College of Business and Public Affairs, School of Business Administration to create the Master of Arts in Sport Management.

Background/Rationale:

The purpose of this program request is to house both the graduate and undergraduate degree programs within the College of Business and Public Affairs (COBPA). As a result of the University Curriculum Audit, the sport management undergraduate program and faculty have been moved to the College of Business and Public Affairs, School of Business Administration. The graduate sport management program is currently an area of specialization in the Master of Arts in Health, Physical Education and Sport Sciences. The department where the sport management programs were housed has been reorganized and moved to the College of Science and Technology.

This proposal will allow the sport management master's degree to continue to be offered and appropriately housed within the COBPA under the School of Business Administration (SBA). This is also an opportunity to revise the curriculum in order to move effectively meet the needs of the sport management graduate student and profession as well as integrate into the COOBPA and SBA.

Therefore, this MA would be a continuation of the current sport management graduate degree program at MSU. With the sport industry growth exceeding the \$200 billion mark a need for well trained professionals will continue.

Just as in the current sport management graduate program, this new MA-SPMT program provides a generalist education for future sport managers. The employers of sport managers express a need for professionals who can bring a variety of skills to their organizations. Having knowledge and understanding of multiple areas within the profession is a necessity. This program's general focus prepares its graduates for such employment.

According to Gillentine and Crow (2009), 98% of first-time managers have no training. This lack of training is the number one reason for management failure. This program, due to the internship experience option, will continue to place well trained and educated sport management professionals into the business of sport.

This curriculum proposal has been approved by the School of Business Administration, College of Business and Public Affairs, and University curriculum committees.

MASTER OF ARTS IN SOCIAL SCIENCES

**BOR (VIII-B-1g)
June 9, 2011**

Recommendation:

That the Board of Regents approve the proposal by the Department of International and Interdisciplinary Studies to create a Master of Arts Degree in Social Sciences.

Background:

As part of Morehead State University's effort to enhance interdisciplinary cooperation and better serve teachers in the region, faculty members in several disciplines collaborated to develop an M.A. in Social Sciences Program. The M.A. in Social Sciences Program will be located in the Department of International and Interdisciplinary Studies and draw on faculty members with expertise in Geography, History, International and Interdisciplinary Studies and Sociology. Classes in this program will be both fully interdisciplinary and also have the flexibility to allow students to pursue disciplinary interests in Geography, History and Sociology.

The Master of Arts in Social Sciences will serve several student constituencies, including:

1. Service region social studies teachers pursuing a first or second master's degree
2. Place-bound students who would like to pursue graduate study for career or personal reasons
3. Students who will attend law school or Ph.D. programs in one of the social sciences
4. Students who would like to teach social science courses for a community college

While similar programs exist nationally (at Appalachian State University, the University of Chicago, and Binghamton University, to name a few) this will be the only M.A. in the Social Sciences offered by a public university in Kentucky. A private institution (Campbellsville University) offers a Master of Arts in Social Science, but does not serve our region.

This curriculum proposal has been approved by the Department Curriculum Committee in International and Interdisciplinary Studies; the Chair of the Department of International and Interdisciplinary Studies; the Graduate Committees of the College of Science and Technology and the Caudill College of Arts, Humanities and Social Sciences; the Deans of the College of Education, the College of Science and Technology, and the Caudill College of Arts Humanities and Social Sciences; the University Graduate Committee; the Provost; and the President.

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

**BOR (VIII-B-2)
June 9, 2011**

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, 2011, 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, 2011, the third quarter of the fiscal year ending June 30, 2011. 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, 2011

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, 2011. The statements and this discussion and analysis have been prepared by Accounting and Financial Services staff.

Using These Financial Statements

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

Financial Highlights

Morehead State University's financial picture remains stable through the third quarter of the 2010-2011 fiscal year. During the period July 1, 2010 through March 31, 2011 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$18,505,089. This level of operating surplus is expected at this time, since most of the billings for the Spring 2011 semester are reflected in the tuition and fees revenue and only expenditures through March 31, 2011 are reflected. As the fiscal year proceeds, the variance between revenues and expenditures will continue to decrease and should reflect a more appropriate operating surplus or deficit.

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

- ▶ Total revenues increased \$2.6 million over last year to \$112.8 million. Tuition & fees increased \$5.1 million, primarily due to a 5.6% increase in the undergraduate resident per credit hour tuition rate. State appropriations decreased by \$3.4 million. Other sources include \$727 thousand of revenue from bad debt recovery.
- ▶ The percent of actual total revenue to budget was 85% at both March 31, 2011 and 2010. This percentage would be expected at this time, since most of the billings for the Spring 2011 semester are reflected in revenue.
- ▶ Total expenses increased \$4 million over last year to \$94.3 million. Debt service on the student recreation center and capital projects expenditures account for the majority of this increase and is reflected in other educational and general expenditures. Information Technology accounts were moved from Planning, Budgets and Technology to Administration and Fiscal Services as part of a reorganization.
- ▶ Net change in fund balance decreased \$1.5 million to \$18.5 million as compared to \$20 million at March 31, 2010. This is the direct result of the net effect of the increase in revenues and the increase in expenditures.

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

	2010-2011			2009-2010		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$58,873,488	\$58,861,763	99.98%	\$55,576,545	\$53,737,645	96.69%
Govt Appropriations	43,156,100	34,928,249	80.93%	45,351,653	37,647,004	83.01%
Indirect Cost Reimbursement	365,000	636,351	174.34%	365,000	531,939	145.74%
Sales & Services Ed Activities	2,393,546	1,843,961	77.04%	2,407,130	2,251,303	93.53%
Other Sources	2,650,295	3,357,955	126.70%	2,717,305	2,860,332	105.26%
Budgeted Fund Balance-E&G	11,037,742	0	0.00%	8,785,623	0	0.00%
Total Educational and General	\$118,476,171	\$99,628,279	84.09%	\$115,203,256	\$97,028,223	84.22%
Auxiliary Enterprises						
Housing	\$8,601,300	\$8,079,390	93.93%	\$8,190,319	\$8,134,523	99.32%
University Store	3,989,557	4,103,518	102.86%	3,992,628	4,074,709	102.06%
Food Services	780,000	625,684	80.22%	750,000	629,265	83.90%
Other	491,984	330,800	67.24%	469,500	274,179	58.40%
Budgeted Fund Balance-Aux	991,221	0	0.00%	1,087,552	0	0.00%
Total Auxiliary Enterprises	\$14,854,062	\$13,139,392	88.46%	\$14,489,999	\$13,112,676	90.49%
TOTAL REVENUES	\$133,330,233	\$112,767,671	84.58%	\$129,693,255	\$110,140,899	84.92%

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

		2010-2011			2009-2010		
		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	\$729,331	\$560,937	76.91%	\$760,863	\$563,513	74.06%
	University Advancement	4,725,262	3,409,067	72.15%	4,604,721	2,969,013	64.48%
	Administration & Fiscal Services	19,285,804	16,107,194	83.52%	13,775,877	10,510,754	76.30%
	Planning & Budgets	489,836	354,910	72.45%	7,018,097	5,158,861	73.51%
	Student Life	12,260,580	9,061,384	73.91%	10,912,448	8,709,086	79.81%
	Academic Affairs	69,812,999	52,405,373	75.07%	70,128,461	52,294,028	74.57%
	Other	10,567,118	4,092,605	38.73%	7,413,853	2,236,230	30.16%
43	Total Educational & General	\$117,870,930	\$85,991,470	72.95%	\$114,614,320	\$82,441,485	71.93%
Auxiliary Enterprises							
	Housing	\$10,432,536	\$3,791,371	36.34%	\$10,181,660	\$3,400,782	33.40%
	University Store	3,781,827	3,548,403	93.83%	3,769,089	3,467,551	92.00%
	Food Services	530,204	413,573	78.00%	456,484	333,029	72.96%
	Other	714,736	517,765	72.44%	671,702	485,512	72.28%
	Total Auxiliary Enterprises	\$15,459,303	\$8,271,112	53.50%	\$15,078,935	\$7,686,874	50.98%
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION		\$133,330,233	\$94,262,582	70.70%	\$129,693,255	\$90,128,359	69.49%
NET CHANGE IN FUND BALANCE			\$18,505,089			\$20,012,540	

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

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$37,100,195	\$50,289,473
Accounts, grants and loans receivable, net	16,149,723	9,861,648
Prepaid interest	124,649	124,649
Inventories	<u>1,404,776</u>	<u>1,352,497</u>
Total current assets	<u>\$54,779,343</u>	<u>\$61,628,267</u>
Noncurrent assets:		
Accounts, grants and loans receivable, net	\$3,798,610	\$3,861,979
Prepaid interest	351,488	476,137
Investments	13,737,955	13,063,670
Capital assets, net	<u>185,035,272</u>	<u>165,916,369</u>
Total noncurrent assets	<u>\$202,923,325</u>	<u>\$183,318,155</u>
TOTAL ASSETS	<u>\$257,702,668</u>	<u>\$244,946,422</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$4,575,974	\$4,657,923
Deferred revenue	2,888,018	1,487,342
Bonds, notes and capital lease obligations, current portion	<u>4,224,982</u>	<u>3,259,128</u>
Total current liabilities	<u>\$11,688,974</u>	<u>\$9,404,393</u>
Long-term liabilities:		
Bonds, notes and capital lease obligations, noncurrent portion	\$50,958,535	\$50,590,665
Advances from federal government for student loans	<u>3,813,100</u>	<u>3,848,297</u>
Total long-term liabilities	<u>\$54,771,635</u>	<u>\$54,438,962</u>
TOTAL LIABILITIES	<u>\$66,460,609</u>	<u>\$63,843,355</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$130,327,893	\$112,667,362
Restricted:		
Expendable	12,365,628	21,919,918
Nonexpendable	12,397,578	11,720,431
Unrestricted	<u>36,150,960</u>	<u>34,795,356</u>
TOTAL NET ASSETS	<u>\$191,242,059</u>	<u>\$181,103,067</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$257,702,668</u>	<u>\$244,946,422</u>

See Attached Notes To Statements of Net Assets

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

1. The Statements of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, loan funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts, grants, and loans receivable are shown net of allowance for uncollectible student accounts of \$1,782,002 at March 31, 2011 and \$396,021 at March 31, 2010. Changes were made to the allowance policy this year to more accurately account for our allowance for uncollectible amounts. Accounts, grants, and loans receivable increased approximately \$6.3 million to \$16.1 million at March 31, 2011. \$4.6 million of this increase was due to a receivable from the Commonwealth for funds already expended by MSU for construction and equipment. \$1.3 million of this increase was due to a change in the accounting for the student laptop lease program.
3. Noncurrent accounts, grants and loans receivable represent balances owed to 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 \$83,406 at March 31, 2011 and \$91,574 at March 31, 2010.
4. Prepaid interest represents interest paid to advance refund the University's Housing and Dining System Revenue Bonds.
5. Capital Assets, net increased approximately \$19.1 million from the previous year. This increase is mostly attributable to the completion of the CHER building and other capital project renovations. Accumulated depreciation on buildings and equipment was \$132,143,093 at March 31, 2011 and \$124,764,160 at March 31, 2010.
6. Accounts payable and accrued liabilities include amounts due to vendors and amounts due for withheld and matching portions of payroll taxes and estimated claims payable, but not paid until after the Statements of Net Assets date.
7. Deferred revenue from federal and state grants represent amounts received but not expended at the Statements of Net Assets date. Deferred revenue also includes tuition billed for summer terms that begin after June 30.
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 2010 Series A Build America Bonds in the amount of \$5.7 million on June 29, 2010.
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, 2011 to March 31, 2011

<u>Description</u>	<u>Opening Budget As of 1/1/2011</u>	<u>Adjustments</u>	<u>Amended Budget As of 3/31/2011</u>
Revenues and Other Additions			
Tuition and Fees	\$ 58,830,336	\$ 43,152	\$ 58,873,488
Government Appropriations	45,698,100	(2,542,000)	43,156,100
Indirect Cost Reimbursement	365,000	-	365,000
Sales and Services of Ed. Activities	2,162,826	230,720	2,393,546
Other Sources	2,398,862	251,433	2,650,295
Budgeted Fund Balance - E&G	10,890,819	146,923	11,037,742
Auxiliary Enterprises	13,853,204	9,637	13,862,841
Budgeted Fund Balance - AUX	878,950	112,271	991,221
Total Revenues and Other Additions	\$ 135,078,097	\$ (1,747,864)	\$ 133,330,233
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 724,583	\$ 4,748	\$ 729,331
University Advancement	4,624,140	101,122	4,725,262
Planning & Budgets	489,836	-	489,836
Administration & Fiscal Services	18,962,125	323,679	19,285,804
Student Life	11,980,567	280,013	12,260,580
Academic Affairs	72,048,188	(2,235,189)	69,812,999
Debt Service & Mandatory Transfers	3,884,276	-	3,884,276
Other	7,025,688	(342,846)	6,682,842
Total Educational & General	\$ 119,739,403	\$ (1,868,473)	\$ 117,870,930
Auxiliary Enterprises			
Administration & Fiscal Services	\$ 11,446,637	\$ 500,347	\$ 11,946,984
Student Life	844,636	(2,000)	842,636
Academic Affairs	-	-	-
Debt Service	2,639,933	-	2,639,933
Other	407,488	(377,738)	29,750
Total Auxiliary Enterprises	\$ 15,338,694	\$ 120,609	\$ 15,459,303
Total Expenditure Authorizations	\$ 135,078,097	\$ (1,747,864)	\$ 133,330,233

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

Government Appropriations

Federally funded State Fiscal Stabilization Funds (SFSF) totaling \$2,542,000 were transferred to the current restricted fund for reporting purposes.

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the third quarter totaled \$230,720

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$12,206
- NCAA Proceeds totaled \$78,981
- Basketball guarantee revenue totaled \$35,000
- Other athletic revenue totaled \$65,785
- Other miscellaneous revenue totaling \$38,748 was allocated primarily to Academic Affairs

Other Sources

Budget allocations from other sources increased by \$251,433

- Unbudgeted support from the MSU Foundation totaled \$45,665
 - \$32,589 Academic Affairs
 - \$12,353 University Advancement
 - \$ 723 President
- Endowment Income allocations totaled \$154,665
- Miscellaneous other income totaling \$51,103 was received and allocated primarily to Academic Affairs.

Fund Balance – E&G

Budget allocations from fund balance for educational and general purposes totaled \$146,923

- \$ 31,956 Salary increases (plus benefits) for Men's Basketball coaches
- \$ 4,870 Supplemental incentive pay to Athletic Director
- \$ 24,447 Two new Enrollment Services Counselor positions (effective 3/1/11 and 4/1/11)
- \$ 34,000 Oppenheimer House and WMKY House demolition
- \$ 51,560 E&G facility remodeling project in Caudill Health Clinic

Fund Balance – Auxiliary

Budget allocations from fund balance for auxiliary purposes totaled \$112,271

- \$112,271 Mignon Tower renovation; to be reimbursed by bond funds in Frankfort account

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period January 1, 2011 to March 31, 2011

From:	To:		
Revenue and Other Additions	Division/ Budget Unit	Amount	Description
Government Appropriations	Academic Affairs		
State Appropriations	Enrollment Services - Scholarships	\$ (2,542,000)	In 2009-10, the state implemented a general fund appropriation reduction of \$4,408,700 from the amount previously authorized in HB 406 enacted by the 2008 Regular Session of the General Assembly. The reduction was mitigated by the replacement of \$3,053,200 in 2009-2010 and \$2,542,000 in 2010-2011 with non-recurring federal funds from the State Fiscal Stabilization Fund (SFSF) Program under the American Recovery and Reinvestment Act (ARRA). The SFSF funds were transferred from state appropriation revenue in the unrestricted fund to the restricted fund where federal funds are recorded. Student financial aid was one of the allowable expenditures of SFSF funds. Therefore, institutional scholarship expenditures in the unrestricted fund were also transferred to the restricted fund and

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of January 1, 2011 to March 31, 2011

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I. Equipment Purchases \$200,000 or Greater			
None			
II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater			
ERP Implementation Project	\$ 4,000,000		Completed
Technical Setup and Training (June 2005)			Completed
Financial System (July 2006)			Completed
Human Resources (December 2006)			Completed
Student System (December 2007)			Completed
Auxiliary Modules (September 2010)			Completed
Alumni Tower Renovation	\$ 4,600,000	July, 2010	Completed
Mignon Tower Renovation	\$ 5,682,000		In Progress
East Mignon Hall Renovation	\$ 3,948,000		In Progress
Student Recreation Center	\$ 30,000,000		In Progress

ADOPT REGULATION PURSUANT TO KRS 164.367

BOR (VIII-B-3)
June 9, 2011

Recommendation:

That the Board adopt the attached regulation pursuant to the provisions of Kentucky Revised Statutes 164.367.

Background:

Employees of state universities are generally prohibited from having an interest in a contract between the institution and a business. A business is defined in the statutes as "...any corporation, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or any legal entity through which business is conducted for profit."

KRS 164.367 does provide that governing boards may adopt regulations that will allow its employees to have an interest in a contract between a business and the institution. The statute requires the board to review and approve each specific instance of an employee having an interest in such contracts.

The University under most circumstances will not have occasion to enter into contracts with businesses in which an employee would have a significant interest. However, should a situation arise where goods or services are not readily available from other sources, the flexibility to transact business with an employee could prove to be the most efficient or economical means of procurement.

The recommended procedure for such transactions is as follows:

- Upon recognition of a need to enter into a contract in which an employee of the University has a business interest, the appropriate vice president or provost shall submit to the President a written justification for the need for the transaction.
- The President, upon review of the facts and circumstances, may approve a contract.
- The requesting department shall coordinate the transaction with the Office of Support Services to ensure that the transaction is conducted in accordance with the Kentucky Model Procurement Code detailed in KRS Chapter 45A, and any other applicable laws or regulations.
- The President shall provide a summary of each contract, including appropriate documentation and justification, to the Board of Regents at its next regularly scheduled meeting for the Board's ratification.

KRS 164.367 provides that the Board shall forward a copy of the regulations it adopts to the Legislative Research Commission. The University's General Counsel has drafted the

attached regulation for the Board's consideration and approval. Upon adoption of the regulation, Administration and Fiscal Services staff will make the appropriate filing of the regulation with the Legislative Research Commission.

PERMISSION FOR AN EMPLOYEE TO HAVE AN INTEREST IN A CONTRACT BETWEEN THE INSTITUTION AND A BUSINESS

RELATES TO: KRS 164.367, KRS 11A.010, KRS 45A

STATUTORY AUTHORITY: KRS 164.367

NECESSITY, FUNCTION, AND CONFORMITY: The governing boards of the public institutions of higher education may elect to establish the conditions under which and the procedures whereby the board may approve a specific instance of an employee having an interest in a contract between the institution and a business by issuing administrative regulations to do so. This administrative regulation implements the provisions of KRS 164.367 at Morehead State University.

Section 1. Definitions.

"Business" is defined by KRS 11A.010.

Section 2. Conditions for Employee Interest in a Contract.

A University employee may have an interest in a contract between the institution and a business provided that it is in the best interest of the University for the University to enter into the contract. Each contract must receive independent review to determine if that particular contract meets the standard. Each such contract must be awarded pursuant to KRS 45A and any other applicable law. The employee must not perform any duties or offer any services under the contract during the employee's regularly scheduled work hours.

Section 3. Procedure for Approval of Contract

Upon the written recommendation of the appropriate vice president or provost, the President of the University may approve the University's entering into a contract with a business in which a University employee has an interest provided the conditions set forth in Section 2 have been met. The Board of Regents shall review each such contract and the basis therefore at its next regularly scheduled meeting. It shall ratify the contract if it is in the best interest of the University.

**AUTHORIZE PROJECT AND FINANCING
FOR GUARANTEED ENERGY SAVINGS
PERFORMANCE CONTRACT**

**BOR (VIII-B-4)
June 9, 2011**

Recommendation:

That the Board authorize the President and/or the Vice President for Administration and Fiscal Services to negotiate and execute an Energy Savings Performance Contracting Agreement by and between the Finance and Administration Cabinet, for and on behalf of Morehead State University, and Siemens Industry, Inc., and to negotiate and execute a financing agreement in an amount not to exceed \$10 million to fund that contract.

Background:

In October 2010, the University selected Siemens Industry, Inc. to proceed with the planning and development of an energy savings performance contract to reduce energy use through equipment upgrades and enhanced systems for controlling the use of electricity, natural gas, coal, and other energy resources. The vendor was selected through a request for proposals process conducted by the Finance and Administration Cabinet.

Siemens has projected a cost avoidance of approximately 23% of the University's \$3.5 million annual utility budget by implementing this energy efficiency program. Additional benefits include improved building comfort, upgrading of older, high-maintenance building systems, and reducing greenhouse gas emissions.

The cost of the equipment upgrades and other program features will be funded entirely from future avoided utility expenses. The University will not incur any additional out-of-pocket expenses in this arrangement since Siemens has agreed to pay the shortfall should the guaranteed energy cost savings fail to cover the cost of the energy savings capital improvements. This project will provide facility improvements to about 30 campus buildings and provide annual projected savings of approximately \$800,000 based on current utility unit rates.

The University plans to finance this program through the Kentucky Master Lease Program currently held by J.P. Morgan Chase, or a competitively bid tax-exempt lease that agrees to the terms and conditions of the Kentucky Master Lease Program, with possible supplemental funding, if available, from the Kentucky Green Bank Loan Fund. The Morehead State University lease agreement and energy savings performance contract must be approved by the Kentucky Office of Financial Management.

This recommendation authorizes the President and/or the Vice President for Administration and Fiscal Services to finalize contracting arrangements between the Finance and Administration Cabinet and Siemens Industry, Inc. and also to execute the financing agreement.

RATIFY THE 2012-2018 SIX-YEAR CAPITAL PLAN

**BOR (VIII-B-5)
June 9, 2011**

Recommendation:

That the Board ratify the 2012-18 Six Year Capital Plan that was submitted to the Capital Planning and Advisory Board on April 15, 2011.

Background:

The University submitted the 2012-18 Six Year Capital Plan to the Capital Planning and Advisory Board and the Council on Postsecondary Education by the statutory deadline of April 15, 2011. The Plan included a list of capital projects with an estimated scope of \$600,000 or more and equipment purchases with an estimated scope of \$200,000 or more. A preliminary list of the projects in the 2012-18 Six Year Capital Plan was presented to the Board at the March 10, 2011 meeting.

The projects included in the first biennia of the Plan will be used as the basis of the development of the 2012-14 Executive Budget Capital Request which will be presented to the Board for approval at its September meeting. The projects are identified by the anticipated fund source including:

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

Following is the final list of projects included in the 2012-18 Six Year Capital Plan as submitted to the Capital Planning Advisory Board and the Council on Postsecondary Education:

**MOREHEAD STATE UNIVERSITY
CAPITAL PROJECTS SUMMARY LISTING
SIX-YEAR CAPITAL PLAN
2012-2018**

<u>Project Title</u>	<u>Estimated Scope</u>
<u>2012-2014</u>	
<u>Projects Funded with State Bonds or State General Funds</u>	
Construct Enrollment/Retention/Student Services Center	\$57,136,000
Renovate Combs Classroom Building	28,490,000
Construct Vet Tech Clinical Sciences Center	24,734,000
Construct MSU Campus at Ashland	16,410,000
Construct MCTC/MSU Postsecondary Center of Excellence Phase I	36,000,000
Construct Space Science Clean Room	4,316,000
Water Plant Sediment Basin	1,500,000
Renovate McClure Pool	1,640,000
Re-tube Coal Fired Boilers	3,500,000
Plan & Design Music Academic & Performance Building	1,500,000
Renovate Button Auditorium	8,540,000
Enhance Network/Infrastructure Resources	5,945,000
Construct Athl Admin & Sports Performance Bldg	28,582,000
Acquire Land Related to Master Plan	4,000,000
Construct Honors College Facility	1,948,000
Upgrade Fire Alarms	1,511,000
Purchase Equipment for Biochemistry Lab	450,000
Plan and Design Library Facility	1,517,000
Enhance Library Automation Resources	1,169,000
Comply with ADA – E&G	3,877,000
Upgrade and Expand Distance Learning	1,293,000
Purchase Instructional Tech Initiatives	2,298,000
Upgrade Administrative Office Systems	3,372,000
Upgrade Instruct. PCs/LANs/Peripherals	5,620,000
Construct Classroom/Lab Building at Browning Orchard	1,632,000
Capital Renewal & Maintenance Pool-University Farm	1,209,000
Capital Renewal & Maintenance Pool-E&G	7,944,000
Renovate Acad Ctr & Tennis Team Facilities	5,449,000
Lime Injection System	1,400,000
Reconstruct Central Campus	2,810,000
<i>Subtotal State Bonds/Funds</i>	\$265,792,000
<u>Projects Funded with Agency Bonds or Agency Funds</u>	
Renovate West Mignon Residence Hall	\$5,562,000
Renovate Cartmell Residence Hall	11,064,000
Renovate Mignon Residence Hall	9,268,000

Construct Food Svcs/Retail & Parking Structure in Housing Complex	18,867,000
Replace Exterior Precast Panels-Nunn Hall	3,372,000
Construct Residence Building-University Farm	2,837,000
Construct Student Residential Apartment Complex	58,586,000
Comply with ADA – Auxiliary	3,445,000
Capital Renewal and Maintenance Pool-Aux	2,668,000
<i>Subtotal Agency Bonds/Funds</i>	<u>\$115,669,000</u>
 <u>Projects Funded with Federal Funds</u>	
Construct Morehead/Rowan Co. Public Safety Complex	\$12,930,000
<i>Subtotal Federal Funds</i>	<u>\$12,930,000</u>
<i>TOTAL 2012-2014 CAPITAL PROJECTS</i>	<u>\$394,391,000</u>

2014-2016

<u>Projects Funded with State Bonds or State General Funds</u>	
Acquire Land Related to Master Plan	\$4,000,000
Campus Drainage Project	12,000,000
Capital Renewal and Maintenance Pool-E&G	1,299,000
Comply with ADA - E&G	4,711,000
Construct General Office Building	16,171,000
Construct IRAPP Academic Building	19,555,000
Construct Music Academic & Performance Bldg	95,726,000
Construct New Baseball/Softball Complex	10,000,000
Construct New Facility for University Advancement	12,747,000
Construct New Library Facility	78,395,000
Renovate Ginger Hall Classroom Building	42,319,000
Renovate Jayne Stadium	33,638,000
Renovate Laughlin Building & Wetherby Gym	11,708,000
Renovate Lloyd Cassity Building	23,413,000
<i>Subtotal State Bonds/Funds</i>	<u>\$365,682,000</u>
 <u>Projects Funded with Agency Bonds or Agency Funds</u>	
Comply with ADA – Auxiliary	\$4,022,000
<i>Subtotal Agency Bonds/Funds</i>	<u>\$4,022,000</u>
<i>TOTAL 2014-2016 CAPITAL PROJECTS</i>	<u>\$369,704,000</u>

2016-2018**Projects Funded with State Bonds or State General Funds**

Acquire Land Related to Master Plan	\$4,000,000
Capital Renewal and Maintenance Pool-E&G	3,390,000
Comply with ADA - E&G	4,046,000
Construct Facilities Management Office Complex	8,000,000
Construct Indoor Practice Facility	13,029,000
Construct New Intramural Fields	5,878,000
Expand Claypool-Young Building	3,217,000
Expand Life Safety: E&G Facilities	986,000
Renovate Academic Athletic Center	26,874,000
Renovate Reed Hall	30,713,000
Replace Coal Fired Boilers	43,034,000
Replace Electrical Switchgear	2,461,000

Subtotal State Bonds/Funds **\$145,628,000**

Projects Funded with Agency Bonds or Agency Funds

Comply with ADA – Auxiliary	<u>4,514,000</u>
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Subtotal Agency Bonds/Funds **\$4,514,000**

TOTAL 2016-2018 CAPITAL PROJECTS **\$150,142,000**

**APPROVE PRIVATELY FUNDED
CAPITAL PROJECT FOR THE
KENTUCKY CENTER OF TRADITIONAL MUSIC**

**BOR (VIII-B-6)
June 9, 2011**

Recommendation:

That the Board approve the Phase II addition to the Kentucky Center for Traditional Music facility to be funded with private monies from the MSU Foundation, Inc.

Background:

The University, through the Council on Postsecondary Education, received \$1 million in funding from the Regional University Excellence Trust Fund during the current biennial budget process. Those funds, along with \$1 million in privately raised matching funds, were allocated to purchase and renovate property to house the Kentucky Center for Traditional Music program.

Earlier this fiscal year, the University purchased property on First Street in Morehead formerly used as the Rowan County Public Library. The design of the renovation of the approximately 9,200 square feet in the building on that property has been completed and the construction bids for the project will be opened in the latter part of June.

The square footage in the building however, is not sufficient to accommodate the long term programmatic needs of the Kentucky Center for Traditional Music. As a part of the renovation design process, the architects were asked to provide a cost estimate for the construction of a sound stage and other space that would meet the long term program needs.

The approximately 5,250 additional square feet of Phase II space would be constructed to the east of and joining the current building. The site of the building addition is currently used as parking for the facility. The cost estimate for the addition including design, construction and project contingencies is estimated to be \$1.5 million. Since the scope of the project exceeds \$600,000, the project must have authorization in the current biennial capital budget of the state, or interim authorization to proceed with the project granted by the state Capital Projects and Bond Oversight Committee (CP&BO).

Since this project is not included in the state budget, interim authorization will be requested from the CP&BO. The Kentucky Revised Statutes provide for interim authorization if a project is funded at least 50% by either federal or private funds. The MSU Foundation, Inc. will fund the Phase II project with private contributions. In order to proceed, the following must occur:

- The project must be approved by the Board of Regents
- Following Board approval, the project must be submitted to the Council on Postsecondary Education for approval
- After Board and CPE approval, the project must be submitted for approval to the CP&BO

**APPROVE THE 2011-2012 OPERATING BUDGET,
FEE SCHEDULE AND PERSONNEL ROSTER**

**BOR (VIII-B-7)
June 9, 2011**

Recommendation:

That the Board approve the recommended 2011-2012 Operating Budget, which totals \$135,500,000, the 2011-2012 Personnel Roster, and the 2011-2012 Fee Schedule.

Summary:

The 2011-2012 Operating Budget totals \$135.5 million, an increase of \$6.3 million (4.9 percent) compared to the current fiscal year. The primary source of new revenue is from a 7 percent increase in student tuition and fees. Once again, the University faces reduced state support and increased fixed costs. The budget demonstrates the University's commitment to doing the most we can with the resources available by including a significant reallocation of existing resources to support strategic needs.

In addition to covering increases in University fixed costs such as utilities and employee health and retirement benefits, the proposed budget includes investment in its employees with a modest pay increase, opening of a new state-of-the-art student recreation center, and investments of one-time reserve funds to improve a number of instructional and student support facilities. Additional faculty positions in academic programs experiencing significant growth and identified for enhancement by the faculty in the 2008 Academic Program Review report are also included in the budget.

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 2010-1014 Strategic Plan*. The budget preparation process was inclusive of campus input and representation and resulted in the proposed \$135.5 million budget.

The parameters outlining the administration's management responsibilities related to the 2011-2012 Operating Budget and periodic reporting requirements to the Board of Regents are specified in the Budget Adoption Resolution on pages A-7 and A-8 of the separately bound 2011-2012 Operating Budget.

Analysis – Operating Budget:

Educational and General Funds (E&G) represent 88.8 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 revenue of \$64 million (53.1 percent) and state appropriations for operating of \$43.8 million (36.4 percent). The total reflects an increase in tuition and fee revenue of \$5.2 million (8.8 percent) and a decrease in state operating appropriations of \$442,600 (1 percent) over the current year budget. An additional \$876,400 (2 percent) of the 2011-2012 state operating appropriations has been reserved as a contingency fund within the operating budget to address any potential mid-year reductions in state support that might be necessary if the plan in place to balance the state Medicare budget is not successful. The 2011-2012 E&G Operating Budget reflects a continuation of the multi-year trend of the institution's growing support on tuition and fee revenue as state support available through general operating appropriations continues to decline (chart 2).

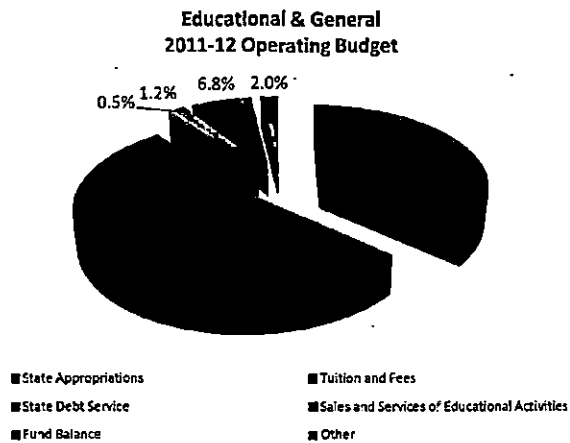


Chart 1

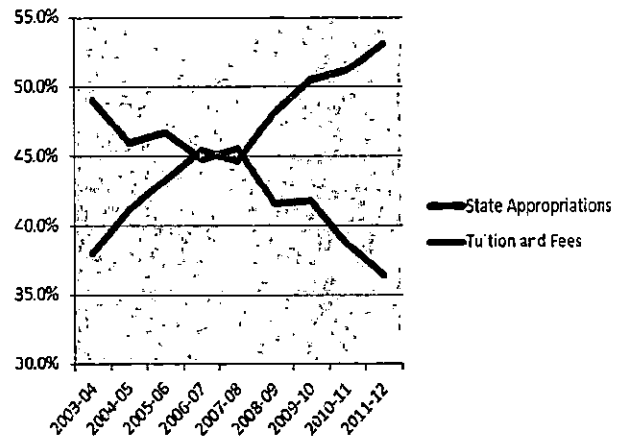


Chart 2

There is a notable increase 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 \$1.7 million (26.2 percent) increase in E&G resources supported by fund balance is primarily due to the budgeted use of one-time reserve funds to execute an option to purchase strategic property adjacent to the MSU campus currently owned by the Rowan County Fiscal Court. A significant 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 about 11.2 percent of the University's operating revenues and include services for student housing, dining, concessions and vending, document services, the University's bookstore operations and the Eagle Trace Golf Course. The budget includes an increase of \$779,058 (5.4 percent) in revenue over the current year budget for auxiliary enterprises and is attributed to an increase in student housing rates effective in the fall 2011 semester.

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	Teaching
	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 2011-2012 Fee Schedule is presented on pages C-1 through C-22 of the Operating Budget.

A summary of the recommended rate changes for tuition and residence hall occupancy follows:

	Fall 2010	Fall 2011	Increase
TUITION and FEES			
Resident Undergraduate Tuition (15 hours)	\$3,204	\$3,371	\$167
Student Recreation Center Fee	\$43	\$100	\$57
Total Tuition & Fees (Resident Undergrad 15 hours)	\$3,247	\$3,471	\$224
HOUSING			
Average Residence Hall Rate	\$1,741	\$1,897	\$156

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 2011-2012 academic year. However, due to actual construction costs for housing renovation consistently exceeding projected costs for planned renovations, the rate increase is recommended at 6 percent. A 9 percent increase is recommended for the newly renovated Mignon Tower. In addition, a flat fee of \$50 has been added to all rooms to cover the cost of implementing free laundry services within all residence hall facilities bringing the average weighted cost of a residence hall in 2011-2012 to \$1,897 per semester—an increase of 9 percent. In addition to paying for new laundry equipment, 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 2011-2012 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 is within the tuition increase parameters set by the Council on Postsecondary Education for Kentucky Comprehensive Universities for 2011-2012.

In addition, the budget includes a request to complete the assessment of the student-approved \$100 fee to support the construction of the student recreation center which represents an additional 2 percent increase over the current year rate. A portion (\$35) of the student recreation fee was included and approved by the MSU Board of Regents in the 2006-2007 Operating Budget. Revenue from the partial fee was approved to fund the design work and site preparation for the student recreation center and to make improvements in existing student recreation facilities and


equipment currently available to students. Though MSU was not under the current per-credit-hour model in 2006-2007, the per-credit-hour value of the fee at that time was \$2.92. Annual tuition and fee increases have inflated the student recreation fee portion of the tuition and fee rate from the initial \$35/\$2.92 per credit hour to \$43 or \$3.59 per credit hour in the 2010-2011. The per-credit-hour rate for the full \$100 student recreation center fee would be \$8.33 and support a \$4.75 increase over the \$43/\$3.59 per-credit-hour rate in 2010-2011. Tuition rates are rounded to the nearest dollar bringing the exception rate requested in 2011-2012 to \$5 per credit hour which equates to an additional 2 percent increase or \$65 for the undergraduate student enrolled in 15 credit hours after the per-credit-hour discount rate is applied.

	Full-time Rate*	Per Credit Hour	Rate Increase	Rec Fee Total	Rec Fee (PCH)	Rec Fee (PCH) Increase
2005-06	\$ 2,160	\$ 180		\$ -	\$ -	
2006-07	\$ 2,400	\$ 200	11.1%			
Rec Fee	\$ 35	\$ 3	1.7%	\$ 35	\$ 2.92	
	\$ 2,435	\$ 203	12.8%			
2007-08	\$ 2,640	\$ 220	7.3%	\$ 38	\$ 3.13	\$ 0.21
2008-09*	\$ 2,835	\$ 225	5.0%	\$ 39	\$ 3.29	\$ 0.16
2009-10	\$ 3,018	\$ 234	4.0%	\$ 41	\$ 3.42	\$ 0.13
2010-11	\$ 3,246	\$ 246	5.0%	\$ 43	\$ 3.59	\$ 0.17
2011-12	\$ 3,406	\$ 258	5.0%			
Rec Fee	\$ 65	\$ 5	2.0%	\$ 100	\$ 8.33	\$ 4.74
	\$ 3,471	\$ 263	7.0%			
*Implemented the per-credit-hour model in 2008-09 with a discount for hours enrolled above 12. Full-time rate based on student enrolled in 15 credit hours						

In future years, the \$8.33 per-credit-hour student recreation fee rate will not be included in the per-credit-hour base rate for purposes of calculating annual adjustments to tuition. This will avoid inflation of the student recreation fee rate above the approved \$100 per semester rate.

Annual revenue that will be generated from the student recreation fee is estimated at \$1.66 million (\$8.33 per credit hour at 200,000 student credit hours generated per year). These resources will be used toward the annual debt service payment for the facility which is \$1.76 million for a period of 20 years. The \$8.33 per-credit-hour student recreation fee will be eliminated from the base rate when the debt service on the facility has been retired. The following is the recommended 2011-2012 tuition rate schedule:

**Morehead State University
2011-2012 Tuition and Mandatory Fee Schedule
Effective Fall Semester 2011**

Tuition & Mandatory Fees	Rate	Per-Credit-Hour Rate		Full-Time Comparison Rate¹
Undergraduate		Hours 1-12	Hours 13+	15 Credit Hours
Resident and Reciprocity	\$263	\$263	\$105	\$3,471
Non-Resident	\$658	\$658	\$263	\$8,685
Non-Resident Scholarship (Net Rate) ⁴	\$355	\$355	\$142	\$4,686
Internet or Hybrid Delivery	\$355	\$355	\$142	\$4,686
Graduate				
Resident	\$395			
Internet or Hybrid Delivery ²	\$533			
Non-Resident	\$988			

Notes:

1. Full-time status is achieved for undergraduate students when enrolled for 12 hours. Full-time comparison rates are shown for an undergraduate at 15 credit hours which is the average number of hours needed each fall/spring semester to complete a baccalaureate degree program in four years.
2. Internet or hybrid delivery rates are assessed for courses delivered with at least 50 percent of the instruction online. Internet and hybrid courses will be assessed prior to non-Internet courses for identifying the first 12 hours.
3. Non-resident students enrolled exclusively at a regional campus center will be assessed tuition and fees at the applicable in-state rate.
4. Non-resident students who qualify for the Non-Resident Scholarship program will be billed at the full non-resident rate. Rates shown on this schedule are net of applied scholarship which equates to 1.35 times the resident rate.
5. Discount rate for undergraduate hours enrolled above 12 not available in summer.

Analysis – Personnel Roster:

Salary and Benefit Increase:

Included in the 2011-2012 Operating Budget is funding to support 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 at a cost of \$633,614. In addition, a 2 percent salary increase for faculty and staff totaling \$1,325,649 is recommended and included in the salary amounts listed in the 2011-2012 Personnel Roster. The 2

percent increase will be applied to all non-probationary full-time employees with a minimum increase set at \$600 annually. The salary increase was funded through a reallocation of existing budget resources and represents the first recurring salary increase since 2008-2009 when employees received a \$1,000 flat increase (figure 3).

**Personnel Salary Increases
2008-2009 through 2011-2012**

	2008-2009	2009-2010	2010-2011	2011-2012 (proposed)
Amount	\$1,000	\$0	\$750	2%
Distribution Strategy	<i>Flat increase recurring</i>		<i>Net one-time supplemental pay of \$750 mid-year to each full-time employee</i>	<i>Recurring to base \$600 minimum</i>

Figure 3

A \$630,600 increase (8 percent) in employee health benefit expenses is included in the 2011-2012 Operating Budget in addition to \$350,460 to support increases in the state employee retirement systems (KERS and KTRS) employer contribution rates. It is anticipated that it will be necessary for MSU employees to share in a portion of the increase in employee health benefit rate increases starting in January 2012 to bring the targeted cost share ratio to 75:25.

The 2011-2012 Personnel Roster contains a listing of the recommended authorized positions as of July 1, 2011. Funding for each position listed in the roster has been included in the proposed 2011-2012 Operating Budget. A total of 1,101 positions are recommended for 2011-2012 with an estimated 1,042 positions contracted to be filled as of July 1, 2011. Total personnel expenditures represent 57.5 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 2011-2012 contract period
- Contract months for exempt employees

Analysis – Student Financial Aid:

The 2011-2012 Operating Budget demonstrates the University's continued commitment to student financial aid with a \$1,282,002 increase in scholarship and waiver expense budgets. The increases are attributed to the cost of increasing existing scholarships to cover the recommended tuition increase and an increase in the budget for state mandated tuition waivers. A reallocation of the existing financial aid budget has been recommended to support the new Eagle Excellence Scholarship which offers to double first-time freshmen'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 has been implemented to distribute aid across a wider group of students in more efficient amounts and improve affordability for all Kentucky residents.

Expenditure Highlights:

Fixed-cost projections were prepared as part of the 2011-2012 Operating Budget request process. The most significant funding concerns pertain to increases in state employee retirement system contribution rates, employee health benefit rates, cost of utilities and the lack of state funding for maintenance and operations for new facilities. The following unavoidable cost allocations are included in the 2011-2012 Operating Budget with funding sources being the projected revenue resulting from the proposed tuition and housing rate increases.

KERS/KTRS Retirement Systems	\$ 350,460
Contractual Obligations (Insurances, Leases, etc.)	\$ 256,631
Merchant Fees for Credit Card Payments	\$ 275,000
Contractual Salary Increases for Faculty/Staff	\$ 309,058
Health Insurance Premiums	\$ 630,600
Utility Increases (E&G)	\$ 463,000
Recreation Center Operating and Personnel	\$ 314,257
Scholarship Increases to offset Tuition Increase	\$ 926,202
State Mandated Tuition Waivers	\$ 355,800
Debt Service	\$ 268,501
Auxiliary Operating	<u>\$ 140,552</u>
Total Recurring Expenditure Increases	\$ 4,290,061

Additional strategic investments included in the 2011-2012 Operating Budget request include the following with funding supported from reallocation of existing operating resources:

Salary Increase (2 percent with \$600 floor)	\$ 1,325,649
Two recruiter and one transfer specialist positions	\$ 126,604
Current Service Increases	<u>\$ 249,625</u>
Total Strategic Investments	\$ 1,701,878

Total Increase in Expenditures	\$ 5,991,939
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Revenue Highlights

The following list includes the primary changes in both E&G and Auxiliary revenue sources included in the proposed 2011-2012 Operating Budget:

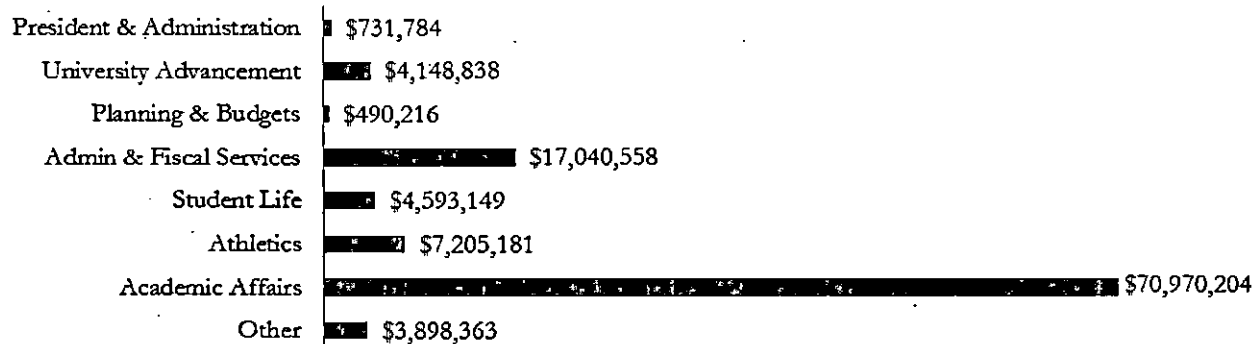
Tuition and Fees	\$ 4,842,496
State Appropriations – Operating	\$ (442,600)
State Appropriations – Reduction Contingency (2%)	\$ (876,400)
F&A Reimbursement – Grants	\$ 232,000
Sales & Services of Educational Activities	\$ (616,000)
Athletic Revenue	\$ 232,000
Interest Income	\$ (152,000)
Student Recreation Center	\$ 47,500
Other Sources	\$ 95,401
Residence Hall and Apartment Rentals	\$ 665,900
Other Auxiliary Revenues	\$ 23,750
Total Revenue Changes	\$ 4,052,047

Internal Budget Reallocation (2 percent discretionary operating budget)	\$ 1,939,892
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Total Changes in Revenue and Reallocations	\$ 5,991,939
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The following chart summarizes the 2011-2012 budgeted unrestricted E&G expenditures by organizational area.

2011-2012 E&G Operating Budget



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

**APPROVE REVISIONS TO 2011-12 *EAGLE STUDENT*
HANDBOOK AND THE STUDENT CONDUCT CODE**

**BOR (VIII-B-8)
June 9, 2011**

Recommendation:

That the Board of Regents approve revisions to the *2011-12 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 *2011-12 Eagle Student Handbook* and Student Conduct Code:

I. Add the new MSU tobacco policy to the Student Conduct Code.

It is recommended that the following policy be added to the Student Conduct Code as the official University tobacco policy:

UAR Number: 902.01

Title: Morehead State University Tobacco Use Policy

Originator: Vice President for Student Life
Vice President for Administration and Fiscal Services

Purpose: To promote a healthy University Community

Scope: This policy is in effect for all persons, at all times, who are attending classes, working, living, visiting, attending/participating in athletic events, programs, and all activities and programs on University owned, leased, or controlled property and in campus owned, leased, or rented vehicles. This includes University property outside the main campus such as farm facilities, golf courses, art galleries, parking lots, performance venues, and sporting venues, and functions that are held in these facilities and venues.

Definitions: Tobacco is defined as all tobacco-derived or containing products, including but not limited to cigarettes (clove, bidis, kreteks), cigars and cigarillos, hookah-smoked products, and oral tobacco (spit and spitless, smokeless, chew, snuff) and those devices/products giving the appearance tobacco use such as electronic cigarettes (e-cigarettes).

Description: Morehead State University acknowledges and supports the findings of the Surgeon General that tobacco use in any form, active and/or passive, is a significant health hazard. We further recognize that environmental tobacco smoke has been classified as a Class-A carcinogen and that there is no safe level of exposure to environmental tobacco smoke (ETS), a recognized toxic air contaminant. In light of these health risks, Morehead State University has adopted a NO TOBACCO USE policy.

Tobacco use is prohibited on all University owned, leased, or controlled property and in University owned, leased, or rented vehicles. This includes but is not limited to all University sidewalks, parking lots, landscaped and recreational areas; at lectures, conferences, meetings and social/cultural events held on University-owned or controlled property; in vehicles owned and/or operated by the University; in privately owned vehicles parked on, or in transit across University property; and in the interior of all buildings and University residences, including residence halls and fraternity and sorority houses on campus.

Tobacco use is prohibited in all buildings, including the pro shop, barns, sheds, covered pavilions and work areas, animal care facilities, and storage structures at the Eagle Trace Golf Course, University Farm and Browning Orchard.

This policy applies to all faculty, staff, students, visitors, clients, contractors and vendors. This policy is in effect at all times (twenty-four hours a day, seven days a week).

Advertising, Sale or Promotion of Tobacco Products:

All tobacco industry promotions, advertising, marketing, and distribution are prohibited on campus properties. The distribution or sampling of tobacco and associated products is prohibited on all University owned, leased, or controlled property and at University-sponsored events, regardless of the venue.

The sale of tobacco products and tobacco-related merchandise (including items reflecting logos) is prohibited on all University property and at University sponsored events, regardless of the operating vendor. Tobacco industry and related company sponsorship of athletic or other events is prohibited.

The University does not permit tobacco companies on campus to conduct student recruitment or employment activities.

The University does not accept any direct or indirect funding from tobacco companies.

II. Change the design of the *Eagle Student Handbook* without impacting the content.

In order to ensure information in the *Eagle Student Handbook* is accurate, and consistent with other campus resources, it is recommended that the document provide students with information through links as opposed to paragraph form.

As one example, information regarding Academic Bankruptcy is written as follows in the *2010-11 Eagle Student Handbook*:

Academic Bankruptcy

Academic bankruptcy allows undergraduate students with an unacceptable GPA to drop one semester's work from consideration for MSU general education degree or program requirements. Undergraduate students who are granted bankruptcy status forfeit credit for all courses in the bankrupt semester. The grades and credit hours earned during that semester are disregarded for MSU requirements, but the notation - academic bankruptcy appears on the transcript beneath the semester's work. Undergraduate students declared eligible for bankruptcy forfeit credit for only one specified semester of pre-baccalaureate study. Bankruptcy cannot be revoked once it has been granted. Only the hours attempted at MSU will be considered for academic bankruptcy; transfer hours are excluded. Students who reach the point of considering this option must apply before completing their undergraduate degree and after they have attempted at least 48 hours at MSU. The GPA of a student for the bankruptcy term must be at least 1.0 under his/her cumulative average for all other hours attempted at MSU. To apply for academic bankruptcy, a student should request an Academic Bankruptcy Form in the Office of the Registrar (201 Ginger Hall). The student must complete the form, have it signed by an academic advisor and/or department head, and take it to the Registrar for verification of eligibility. The Registrar will notify the student, the advisor, and/or head of the student's department, in writing, whether or not s/he is eligible. If a student is ruled ineligible and wants to appeal, s/he can request reconsideration at the Office of the Provost in 205 Howell-McDowell.

The proposal is to change the Information for Academic Bankruptcy in the *2011-12 Eagle Student Handbook* to:

Academic Bankruptcy

Students with an unacceptable undergraduate GPA are allowed to request that one semester's work be dropped from consideration for MSU general education degree or program requirements through Academic Bankruptcy. Students can access more information by connecting to <http://smartcatalog.moreheadstate.edu/undergraduate-2010-11/2562.htm>.

III. Change the design of the Student Conduct Code without impacting the content.

In order to make the Student Conduct Code more user-friendly for students, it is recommended that the Student Conduct Code be written in a format similar to UAR's as opposed to in their current form.

The *2010-11 Eagle Student Handbook* provides materials in a manner that requires a student to reference multiple pages to obtain information. The proposed format will allow students to access information in one location.

SCC Number: 300.00

Title: Alcohol Policy

Originator: Assistant Vice President/Dean of Students

Initial Adoption Date: N/A

Revision Dates: June 30, 2011

Purpose: To address concerns where students have allegedly been involved with matters involving alcohol which violate federal, state, and local laws, University regulations, and/or are disruptive to the community.

Procedural: Assistant Vice President/Dean of Students

Scope: This policy is in effect for all students, at all times, who are attending classes, living on-campus, having a negative impact on the community, and/or attending/participating in athletic events, programs, and all activities and programs on University owned, leased, or controlled property.

Definitions: Possessing or consuming alcoholic beverages in public or on University-owned or controlled property, or while participating in University related activities which include student teaching, internships, class trips, etc., or providing alcoholic beverages to others. Exhibiting drunken behavior on University-owned or controlled property, or in a manner that is disruptive to the community. Possession of alcohol related paraphernalia (i.e., kegs, beer bong, empty containers, etc.).

Description: All students are expected to abide by federal, state, and local laws, and University regulations. In addition, students must be respectful of community standards, and conduct themselves in a manner that a reasonable person would not consider to be disruptive to the community.

Process: Alleged violations that involve alcohol will be brought to the attention of the Assistant Vice President/Dean of Students. The Assistant Vice President/Dean of Students will:

1. Conduct an investigation to gather information regarding the allegations.
2. Will conduct, or assign a designee to conduct, a conference with the student to present the allegations and obtain his/her perspective.
3. If the student is determined to be responsible for violating University policy, sanctions will be implemented and provided to the student in writing.

Sanctions: Sanctions will be determined and implemented based upon information gathered as a result of an investigation, and interactions with the student. Sanctions include, but are not limited to, alcohol/drug education classes, community restitution hours, disciplinary probation, parental notification letter, and writing a reflection paper.

Appeal: Appeal options will be provided to the student in written form. Appeals are submitted to the Assistant Vice President/Dean of Students in writing. Upon receiving an appeal, the Assistant Vice President/Dean of Students will either hear the matter or forward it to the Student Disciplinary Committee.

Submitted by: Kevin S. Koett

Morehead State University Enrollment Report

Spring 2011

Headcount, Credit Hours, and FTE by Term

Term	Headcount	Spring as a % of Fall	Credit Hours Generated	Spring as a % of Fall	FTE	Spring as a % of Fall
Fall 2006	9,025		102,938		7,088	
Spring 2007	8,536	94.6%	95,776	93.0%	6,587	92.9%
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%

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

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

REPORT ON PERSONAL SERVICE CONTRACTS

BOR (VIII-C-2)
June 9, 2011

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between March 1, 2011 and June 1, 2011.

PERSONAL SERVICE CONTRACTS

March 1, 2011 through June 1, 2011

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Dr. Kimberly J. Harris	Hospitality & tourism management program consultant	4/5/11	6/30/11	\$38,600.00	Request for Proposal
Dean Dorton Ford PSC	Auditing services	5/1/11	6/30/11	\$26,000.00	Request for Proposal
University Accounting Service	Perkins Loan program collections	7/1/11	6/30/12	\$32,000.00	Request for Proposal
Sturgill, Turner, Barker & Moloney, PLLC	Legal representation	7/1/11	6/30/12	\$50,000.00	Request for Proposal
Frost Brown Todd LLC	Legal representation	7/1/11	6/30/12	\$20,000.00	Request for Proposal
Paul R. Stokes	Legal service	7/1/11	6/30/12	\$5,000.00	Request for Proposal

**Board of Regents Meeting
Morehead State University**
Riggle Room, Adron Doran University Center
9 a.m., Thursday, June 9, 2011

Agenda

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. BOR ACTION AGENDA FOR 2011-12**
- IV. ADOPT RESOLUTIONS OF COMMENDATION FOR LINDSAY ADKINS AND SYLVIA LOVELY**
- V. REPORT ON STUDENT GOVERNMENT ASSOCIATION – Lindsay Adkins**
- VI. RATIFY RESOLUTION OF COMMENDATION FOR EAGLES BASKETBALL TEAM**
- VII. APPROVE POSTHUMOUS AWARDING OF FOUNDERS AWARD FOR UNIVERSITY SERVICE TO LUCILLE CAUDILL LITTLE**
- VIII. PRESIDENT’S RECOMMENDATIONS AND REPORTS**
 - A. Consent Agenda (Action)**
 - 1. Approve Minutes of March 11, 2011.....6-14
 - 2. Approve Awarding of 2011 Spring Graduates..... 15
 - 3. Approve Promotions, 2011 16
 - 4. Approve Emeritus Status..... 17
 - 5. Approve Sabbatical Leaves..... 18
 - 6. Approve Educational Leave..... 19
 - 7. Approve Tenure for Steve Chen 20
 - 8. Approve Personnel Actions 21-25
 - 9. Approve Appointment of Auditing Firm..... 26
 - 10. Approve Minimum Scope of Annual Audit 27-31
 - B. Recommendations (Action)**
 - 1. Approve New Academic Program Proposals:
 - a. Bachelor of Arts in Public Policy 32-33
 - b. Bachelor of Science in Veterinary Technology 34
 - c. Bachelor of Arts in International Studies..... 35
 - d. Bachelor of Arts in Traditional Music..... 36
 - e. Master of Arts in Government..... 37
 - f. Master of Arts in Sport Management..... 38
 - g. Master of Arts in Social Sciences 39

2. Accept Third Quarter Financial Report and Amend Operating Budget	40-49
3. Adopt Regulation Pursuant to KRS 164.367.....	50-52
4. Authorize Project and Financing for Guaranteed Energy Savings Performance Contract.....	53
5. Ratify 2012-2018 Six-Year Capital Plan	54-57
6. Approve Privately Funded Capital Project for the Kentucky Center for Traditional Music.....	58
7. Approve 2011-2012 Operating Budget, Fee Schedule, and Personnel Roster	59-67
8. Approve Revisions to 2011-12 <i>Eagle Student Handbook</i> and the Student Conduct Code.....	68-72

C. Reports

1. Final Spring Enrollment Report	73
2. Report on Personal Service Contracts	74-75

D. President's Report

IX. OTHER BUSINESS

A. President's Contract

B. Executive Session

C. Future Meetings

1. BOR Work Session, Thursday, August 25, 2011, 9 a.m. (Ribbon Cutting for Recreation Center)
2. BOR Quarterly Meeting, Thursday, September 15, 9 a.m.
3. Governor's Trusteeship Conference, Lexington Marriott Griffin Gate, Friday, September 23

X. ADJOURNMENT