

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY  
March 18, 2016**

The Board of Regents of Morehead State University met at 9:00 a.m. on Friday, March 18, 2016, in the DeMoss Suite of the Center for Health, Education and Research in Morehead, Kentucky.

**CALL TO ORDER**

Chair Goodpaster called the meeting to order.

**ROLL CALL**

The following Board members were present: Royal Berglee, Austin Casebolt, Paul Goodpaster, Shannon Harr, Eric Howard, Debbie Long, Wayne Martin, Craig Preece, Patrick Price, Kevin Pugh and Kathy Walker.

**MEDIA**

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

**NOMINATING  
COMMITTEE REPORT**

Mr. Price, chair of the Nominating Committee, said the committee recommended that the Board re-elect Paul Goodpaster, Chair; elect Wayne Martin, Vice Chair; and Sharon Reynolds, Secretary; and reappoint Beth Patrick, Treasurer. Dr. Pugh made the motion; Ms. Walker seconded the motion. The motion carried unanimously.

Chair Goodpaster thanked Mr. Price and the other members of the Nominating Committee for their report.

**CONSENT AGENDA**

Chair Goodpaster asked if the Board would like to discuss any item on the Consent Agenda as follows:

1. Minutes of December 3, 2015 (IV-A-1)
2. Honorary Doctor's Degrees for Mr. Joseph Craft III, Dr. Ernst and Mrs. Sara Volgenau, and Brig. Gen. Stephen R. Hogan (IV-A-2)
3. Naming of Facility (IV-A-3)
4. Personnel Actions (IV-A-4)
5. Contracts for Banking Services (IV-A-5)
6. Appointment of Auditing Firm (IV-A-6)

Mr. Preece moved that the items on the Consent Agenda be approved. Dr. Pugh seconded the motion.

VOTE: The motion carried unanimously.

**PRESIDENT'S  
RECOMMENDATIONS***Tenure with Promotion*

The President recommended:

RECOMMENDATION: That the Board approve the granting of tenure and promotion to those who are assistant professors to the associate professor rank for the following faculty members with the issuance of their contracts for the 2016-17 year:

Dr. Karen Pierce, assistant professor of accounting  
Dr. Kimberly Nettleton, assistant professor of education (ECES)  
Mr. Seth Green, assistant professor of art and design  
Dr. Christina Conroy, assistant professor of philosophy  
Dr. Elizabeth Perkins, assistant professor of criminology  
Dr. Lynn Geurin, assistant professor of social work  
Mr. Charles Rogers, assistant professor of nursing (BSN)  
Mr. Kevin Brown, assistant professor of space science

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

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

VOTE: The motion carried unanimously.

*Sabbatical Leaves*

The President recommended:

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

Dr. Steve Chen, associate professor of sports management, spring 2017  
Dr. Karen Taylor, associate professor of French, spring 2017

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

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

VOTE: The motion carried unanimously.

*PAC-22 and PAC-26  
Policies*

The President recommended:

RECOMMENDATION: That the Board of Regents approve PAC-22, Faculty Discipline and Removal for Cause, and PAC-26, Termination of Faculty for Financial Exigency and Discontinuance of Program.

Chair Goodpaster appointed Mr. Price, Ms. Long, and Dr. Berglee to a work group and

**Second Quarter Financial Statements**

remanded PAc-22 and PAc-26 to the work group for further discussion at the next work session.

The President recommended:

RECOMMENDATION: That the Board approve the financial statements and amend the operating budget for the second quarter of the fiscal year that will end June 30, 2016.

*(Financial Report and additional background information attached to these minutes and marked IV-B-5)*

Beth Patrick, Chief Financial Officer and Vice President for Administration, introduced Kelli Owen, Director of Accounting and Financial Services, and Teresa Lindgren, Executive Director of Budgets and Financial Planning, who discussed the second quarter financial statements.

Ms. Owen reported that MSU's financial picture remained stable through the second quarter of the 2015-16 fiscal year. She said that the University operated with a surplus of revenues over expenditures and transfers of \$35M, which is common for this point in the year as billings for fall semester 2015 and spring semester 2016 are reflected in tuition and fees revenue, while only expenditures through December 31, 2015 are reflected. She said that total revenues increased by \$1.6M over last year due to state appropriations to support the Craft Academy for Excellence in Science and Mathematics, as well as increases in tuition and housing rates.

There was a total increase of \$2.4M in expenditures, which is partly due to timing issues, but also is due to budgeted increases in scholarships, debt service payments, insurance premiums, salaries and benefits, and expenses related to campus renovation and construction projects. Ms. Owen noted a significant increase in the Administration & Fiscal Services budget due to the reorganization of the office of Financial Aid (and its related budget for scholarships and tuition waivers) from Academic Affairs.

Ms. Lindgren said the total operating budget for the University has decreased by \$271K in the second quarter due to the balance of unbudgeted revenue allocations from the MSU Foundation in support of athletics and the Craft Academy, and reductions in budgeted fund balance allocations. The east parking structure and dining commons project has been separated into two phases, with the first phase of parking structure construction (which is currently underway) and the second phase comprised of the completion of the dining commons (to be funded by agency bonds if authorized).

MOTION: Dr. Harr moved that the Board approve the President's recommendation. Dr. Pugh seconded the motion.

**Acquisition of Real  
Property-Rowan County  
Board of Education**

VOTE: The motion carried unanimously.

The President recommended:

RECOMMENDATION: That the Board approve the acquisition of the Rowan County Board of Education property.

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

Ms. Patrick said the University has the opportunity to acquire property located within the Campus Master Plan currently owned by the Rowan County Board of Education, located on the corner of Second Street and Tippet Avenue with a street address of 121 East Second Street. The property consists of a two-story brick special use building containing 23,219+/- square feet and 0.97+/- acres of land. The \$2,000,000 purchase price is supported by independent appraisal. The owners have agreed to a finance term of three annual payments of \$700,000 at closing, \$700,000 due July 1, 2017, and a final installment of \$600,000 due July 1, 2018. The property would be used for offices currently located in the Adron Doran University Center when it is closed for renovation as well as offices currently located in the Enrollment Services Building.

MOTION: Mr. Preece moved that the Board approve the President's recommendation. Mr. Martin seconded the motion.

VOTE: The motion carried unanimously.

**Disposal of Real Property-  
MSU West Liberty**

The President recommended:

RECOMMENDATION: That the Board approve the Order to Dispose of Real Property relating to the sale of the MSU West Liberty Regional Campus facility.

*(Additional background information attached to these minutes and marked IV-B-7)*

Ms. Patrick said that the significant growth in online course delivery combined with declining population within the region has significantly reduced the demand for delivery of face-to-face courses at this location. The overhead of the West Liberty facility exceeds the net tuition revenue generated annually. The Morgan County Board of Education has expressed a desire to acquire the facility to support the school district. MSU has negotiated with the Morgan County Board of Education a sale price of \$1.849M based on independent appraisals. The price also includes consideration for the University to retain long-term space in the facility at no cost to accommodate the MSU Adult Learning Center and other ongoing and future academic and regional outreach efforts offered to the region. The proceeds from this sale would fund the purchase of the Rowan County Board of Education property previously authorized.

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

VOTE: The motion carried unanimously.

#### RECESS

Chair Goodpaster declared a 10 minute break. The meeting resumed at 10:28 a.m.

#### REPORTS

##### *Preliminary Spring 2016 Enrollment*

Tim Rhodes, Interim Assistant Vice President for Enrollment Services, presented a preliminary enrollment report for Spring 2016, including the new Winter Term. He reported that preliminary spring semester headcount enrollment is 9,352, and 324 students enrolled during the Winter term. *(Preliminary Enrollment Report for Spring 2016 attached to these minutes and marked IV-C-1)*

##### *Personal Service Contracts*

Ms. Patrick reported on personal service contracts, which represent all such contracts issued with amounts greater than \$10,000 between November 1, 2015 and February 15, 2016. These include just one contract with Brenda Wilburn in the amount of \$27,000. Ms. Patrick noted that the contract with Ms. Wilburn is to provide healthcare to students as needed in the Counseling & Health Services clinic. *(Report attached to these minutes and marked IV-C-2)*

#### PRESIDENT'S REPORT

Dr. Andrews reported on the following:

- **Biennial Budget Session in General Assembly** – Dr. Andrews reported that he, Jane Fitzpatrick (as the institution's Biennial University Legislative Liaison or BULL) and Beth Patrick have spent considerable time in Frankfort speaking with legislators, Cabinet secretaries and the Governor. He reviewed a document that he is sharing with legislators that addresses common misconceptions among legislators and the general public about higher education sources of revenue, trends in tuition and institutional financial aid, and average net tuition actually paid by students. He said that the average student graduating from MSU has \$18K in debt. He also asserted that a dollar appropriated by the state provides more money to the institution than a student paying tuition due to discounting through scholarships and other aid. He said the University must be very prudent when planning in an uncertain future. Therefore, the current situation with an enrollment shortfall led to the decision to furlough employees for one week (faculty will take an equivalent salary reduction in the 2016-17 fiscal year).
- **Budget Planning & Advisory Task Force** – Dr. Andrews reviewed the membership of this task force and its work since January. He expects recommendations from the task force by early April.

Chair Goodpaster commended the President and his team for being proactive with planning for the current budget situation. Vice Chair Martin also commended the President for transparent communication, and Mr. Casebolt stated the administration has been transparent with him and SGA as well.

**ANNOUNCEMENTS**

Chair Goodpaster said that the Board will have a Retreat on April 22. He also mentioned the Spring Gala on April 30 and Spring Commencement on May 14. He announced the next Board work session is May 13, and encouraged full attendance at the next quarterly meeting on June 10.

**ADJOURNMENT**

There being no further business to conduct, Ms. Walker moved that the meeting adjourn at 11:46 a.m. Mr. Howard seconded the motion. The motion carried.

Respectfully submitted,



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Sharon S. Reynolds, Secretary  
Board of Regents

## HONORARY DOCTORAL DEGREES

**BOR (IV-A-2)**  
**March 18, 2016**

### **Recommendation:**

That the Board of Regents ratify the awarding of the honorary degrees of Doctor of Public Service to Joseph Craft III, Ernst and Sara Volgenau, and Stephen R. Hogan at Commencement ceremonies in 2016-2017.

### **Background:**

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

#### Joseph W. Craft III

Joseph “Joe” Craft III, is a Hazard, Kentucky native. He is an entrepreneur, attorney and energy industry leader as well as a philanthropist. He has served as the president and chief executive officer of Alliance Resource Partners, L.P. since 1999.

In 2014, Mr. Craft pledged \$4 million to Morehead State University to provide funding for the purpose of supporting a dual-credit residential high school for academically gifted and talented Kentucky high school junior and seniors at Morehead State University. It was the single largest cash gift in the history of the University.

In August 2015, Morehead State University opened the Craft Academy for Excellence in Science and Mathematics. Mr. Craft’s financial resources provide students with a residential learning experience and environment that promotes excellence, innovation and creativity while developing the full potential of Kentucky’s brightest minds and most promising future leaders. The college-level curriculum will allow students to finish high school while also completing up to two years of university coursework.

Mr. Craft received an undergraduate degree in accounting and a law degree from the University of Kentucky. He is also a graduate of the Senior Executive Program of the Alfred P. Sloan School of Management at Massachusetts Institute of Technology.

Mr. Craft’s commitment to providing unique educational opportunities to academically gifted and talented students will provide lasting impact to Kentucky. Craft Academy students will forever benefit from his legacy.

### Ernst and Sara Volgenau

The Volgenau name is associated by many people with words like vision, engineering and philanthropy. In the summer of 2013, a gift from MSU alumna Sara Volgenau and her husband, Dr. Ernst Volgenau, allowed MSU's College of Science and Technology to host two weeks of Project to Elevate Aerospace Careers in Kentucky (PEACK) workshops at the Space Science Center. Exceptional teachers from middle schools in Eastern Kentucky received training in project-based activities and engineering practices which helped them address the Next Generation Science Standards which focus more on performance than on simple knowledge.

The Volgenau's increased their commitment to preparing teachers in the STEM fields through their support of MSUTeach in 2015. UTeach (called MSUTeach at Morehead State University) is an innovative teacher preparation program working to increase the number of qualified science, technology, engineering and mathematics (STEM) teachers in U.S. secondary schools. The program combines rigorous STEM degrees with secondary teaching certification without adding time or cost to four-year degrees. The UTeach Institute partners with 43 universities to provide programs in 21 states and the District of Columbia. MSUTeach is only the second UTeach program in the state.

Selection to become a UTeach university is very competitive and requires a significant financial investment. Ernst and Sara Volgenau provided resources totaling nearly \$4 million to ensure Morehead State University was fiscally able to be successful as a UTeach site.

Mrs. Volgenau is a 1957 graduate of MSU with a degree in elementary education. Dr. Volgenau graduated from the U.S. Naval Academy and later earned a Ph.D. in engineering at UCLA. Early in his career, Dr. Volgenau worked on research and development for satellite and other space projects. In 1978, he founded SRA International Inc., an information technology company that was listed on the New York Stock Exchange and for 10 years in a row, was named to the Fortune magazine list of the Best Companies to work for in America.

The Volgenaus believe improving education in science, technology, engineering and mathematics will help the economy of Kentucky and the entire nation.

### Brig. Gen. Stephen T. Hogan

Morehead State University alumnus Brig. Gen. Stephen R. Hogan was appointed as the 52<sup>nd</sup> Adjutant General of the Commonwealth of Kentucky in December 2015.

A native of Hebron, Gen. Hogan served as assistant adjutant general for the Kentucky Army National Guard. In that role, he was responsible for balancing the requirements of readiness, modernization, force structure and sustainment of the National Guard for mobilization and domestic missions. Most recently, he led efforts to protect the dependents of service members as the chief executive officer of the Military Interstate Children's Compact Commission. He developed the national commission's policies, procedures and support to highly mobile dependents of active duty military members, ensuring level treatment with respect to education issues.

Gen. Hogan was commissioned through the Reserve Officer Training Corps program at Morehead State University in 1985. He earned a Master of Strategic Studies from the



U.S. Army War College in 2008. In 2010 and 2013, he completed the U.S. Northern Command Joint Task Force Command Course and U.S. Northern Command Joint Dual Status Commander's Course.

Gen. Hogan's significant active duty assignments include tours with the 101<sup>st</sup> Airborne Division (Air Assault), Fort Campbell, KY; 6<sup>th</sup> Infantry Division Light, Fort Richardson, AL; The Army Operations Center, Pentagon, Washington, D.C.; and Multi-National Corps Iraq, Baghdad, Iraq. When not serving on federal active duty, Gen. Hogan served in the Kentucky Army National Guard as an active duty guardsman with the State's Counter-Drug Unit, from June 1993 to February 2011.

Among many awards and commendations, Gen. Hogan has been awarded the Meritorious Service Medal (with 3 Bronze Oak Leaf Clusters); Army Commendation Medal (with 1 Bronze Oak Leaf Cluster); Army Reserve Components Achievement Medal (with 1 Silver Oak Leaf Cluster); and the National Defense Service Medal (with 1 Bronze Service Star).

## **NAMING OF ATHLETIC TRAINING FACILITY**

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**BOR (IV-A-3)  
March 18, 2016**

### **Recommendation:**

That the Board of Regents approve the naming of the athletic training center for Dr. R. Thomas Fossett.

### **Background:**

A fixture of Morehead State University Athletics for more than 40 years, Dr. R. Thomas Fossett has served as official team doctor since 1973 and has also served as the athletic department's orthopedic surgeon during that timeframe.

Dr. Fossett has been a practicing Orthopedic Surgeon in Morehead for nearly 50 years. He received his undergraduate degree from the University of Kentucky and his medical degree from the UK College of Medicine.

He has been recognized by the Kentucky Athletic Trainers Society (KATS) as Sports Medicine Person of the Year and the American Orthopedic Society of Sports Medicine recognized Dr. Fossett with the Thomas A. Brady Sports Achievement Award. He is a member of the American Academy of Orthopedic Surgeons, the American Orthopedic Society for Sports Medicine, the Kentucky Medical Association, the National Athletic Trainers' Association, and the Rowan County Medical Association.

Dr. Fossett served in the U.S. Army from 1967 to 1969, and currently also serves as the Rowan County Senior High School physician.

The Dr. R. Thomas Fossett Athletic Training Center will be located in Jayne Stadium.

## **RATIFY PERSONNEL ACTIONS**

**BOR (IV-A-4)  
March 18, 2016**

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### **Recommendation:**

That the Board ratify the Personnel Actions for the period November 7, 2015, through February 25, 2016.

### **Background:**

The Personnel Action Request Report includes actions related to:

- 1) full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, excluding supplemental actions not listed under Item 3, below;
- 2) full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) supplemental actions for faculty acquiring managerial duties, excluding normal grant activities;
- 4) discipline;
- 5) leave of absences;
- 6) sabbaticals; and
- 7) retirements.

MOREHEAD STATE UNIVERSITY  
 ROSTER POSITIONS SUMMARY  
 02/25/16

	<b>July 1 Authorized Positions</b>	<b>Current Authorized Positions</b>	<b>+/- Position Adjustments</b>	<b>Current Position Strength</b>	<b>% Current Strength</b>
Office of the President	4.50	4.50	0.00	4.50	100.00
Division of University Advancement	44.00	44.00	0.00	41.00	93.18
Division of Administration and Fiscal Services	128.75	128.75	0.00	121.75	94.56
Facilities Management	157.00	159.00	2.00	151.00	94.97
Division of Student Life	118.66	118.66	0.00	116.66	98.31
Division of Academic Affairs	42.33	44.33	2.00	42.33	95.49
Caudill College of Arts, Humanities & Social Sciences	154.50	151.04	-3.46	133.21	88.20
College of Business and Technology	57.50	67.50	10.00	65.50	97.04
College of Education	82.86	77.28	-5.58	72.28	93.53
College of Science	180.91	164.91	-16.00	152.91	92.72
Academic Programs and University Outreach	28.00	28.83	0.83	26.83	93.06
Student Success	39.00	38.00	-1.00	35.00	92.11
Camden-Carroll Library	33.00	33.00	0.00	32.00	96.97
	1071.01	1059.80	-11.21	994.97	93.88

Note: Positions are expressed in terms of full-time equivalency.

## DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Full-Time Standing:** A Full-Time Standing Appointment designates an appointment that is full-time and for which no ending date is specified. Such appointments are terminable in accordance with the appropriate University policy. Full-time Standing Appointments must be backed with budgeted funds. Full-Time Standing Appointments may be used for all four payroll classification categories namely 1) Academic; 2) Administrative; 3) Staff Exempt; and 4) Staff Nonexempt (see PG-2). Full-Time Standing Appointments may be specified for nine, ten, eleven, or twelve months per fiscal year. This type of appointment is provided all regular University benefits.
- Full-Time Fixed:** A Full-Time Fixed Appointment designates an appointment that is full-time for a fixed period of time and for which an ending date is specified. Such appointments may be specified for nine, ten, eleven, or twelve months. The appointments do not have to be backed by permanent funds. Full-Time Fixed Appointments may be used for all four payroll classification categories namely 1) Academic; 2) Administrative; 3) Staff Exempt; and 4) Staff Nonexempt (see PG-2). This includes instructors and any other individuals in a classification covered by the tenure regulations. Such appointments are discontinued automatically at the specified ending date. Appointments may be terminated before the ending date for cause or business necessity. Full-Time Fixed Appointments may be renewed. Persons appointed to Full-Time Fixed Appointments are not converted to Full-Time Standing Appointments without an appropriate search or search waiver. This type of appointment is provided all regular University benefits.
- Supplemental:** A Supplemental Appointment designates an appointment which is supplementary to a Full-Time Standing or Full-Time Fixed Appointment and has the effect of providing an additional contractual provision beyond the term of the Full-Time Standing or Full-Time Fixed Appointments. For example, a Supplemental Appointment may be used if an individual whose regular appointment is for nine months but whose appointment is extended for one to three additional months. Supplemental Appointments will also be used to designate those appointments which are supplementary to Full-Time Standing or Full-Time Fixed Appointments to compensate for approved additional services normally outside the scope of regular duties. For example, A Supplemental Appointment can be used when an eligible employee is employed to teach a course for additional compensation. Regular University benefits, except sick leave and vacation accrual, continue with a Supplemental Appointment.

**APPOINTMENT STATUS ACTIONS**  
11/7/15 - 2/25/16

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
<b>Hires</b>								
Music, Theatre & Dance	Small, Heather	01/11/16		Asst. Prof. of Music (Flute)	9	\$51,000.00	Full-Time Standing	New
Provost Office	Litteral, David	01/04/16	06/30/16	Director of Military Initiatives	12	\$60,000.00	Full-Time Fixed, Probationary	New
Athletics-Football	Austin, Milo	01/01/16	12/31/16	Assistant Football Coach	12	\$37,000.00	Full-Time Fixed	Renewal
Athletics-Football	Lewis, Zachary	01/01/16	12/31/16	Assistant Football Coach	12	\$24,529.00	Full-Time Fixed	Renewal
Athletics-Football	Moore, Zachary	01/01/16	12/31/16	Assistant Football Coach	12	\$45,000.00	Full-Time Fixed	Renewal
Athletics-Football	Perin, John	01/01/16	12/31/16	Assistant Football Coach	12	\$35,000.00	Full-Time Fixed	Renewal
Athletics-Football	St. Louis, Patrick	01/01/16	12/31/16	Assistant Football Coach/Offensive Coordinator	12	\$50,000.00	Full-Time Fixed	Renewal
Athletics-Football	Tenyer, Robert	01/01/16	12/31/16	Head Football Coach	12	\$120,000.00	Full-Time Fixed	Renewal
Athletics-Football	Wright, Dontae	01/01/16	12/31/16	Assistant Football Coach/Defensive Coordinator	12	\$49,000.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Lipka, Warren	01/01/16	12/31/16	Head Women's Soccer Coach	12	\$55,000.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Rogers, Carl	01/01/16	12/31/16	Assistant Soccer Coach	12	\$31,137.00	Full-Time Fixed	Renewal
Athletics-Women's Volleyball	Becker, Kyrsten	01/01/16	12/31/16	Assistant Volleyball Coach	12	\$41,000.00	Full-Time Fixed	Renewal
Athletics-Women's Volleyball	Goldberg, Jared	01/01/16	12/31/16	Assistant Volleyball Coach	12	\$32,000.00	Full-Time Fixed	Renewal
Athletics-Women's Volleyball	Gordon, James	02/01/16	03/31/17	Head Women's Volleyball Coach	12	\$90,000.00	Full-Time Fixed	Renewal
<b>Interim Appointment</b>								
History, Phil., International & Legal Studies	Murphy, Dianna	02/01/16	06/30/16	Interim Chair		\$11,480.00		
Registrar	Ross, Deborah	02/15/16	06/30/16	Interim Registrar		\$2,876.00		
<b>Leave Of Absence</b>								
Mathematics & Physics	Gonzalez-Espada, Wilson	01/11/16	05/14/16	Assoc. Prof. of Physics & Science Education	9	\$62,811.00	With Pay	Educational
Accounting & Financial Services	Anderson, Angela	12/15/15	12/16/15	Accounting Assistant	12	\$13.37	With Pay	Pending results of inquiry
School of Business Administration	Latta, Yvette	01/06/16	05/14/16	Instructor of Accounting	9	\$45,500.00	With Pay	Personal
Communication, Media & Languages	Krummrich, Philip	01/11/16	05/14/16	Professor of Comparative Literature	9	\$83,844.00	With Pay	Sabbatical
Foundational & Graduate Studies in Education	Conner, Timothy	12/01/15	12/04/15	Asst. Prof. of Educational Psychology	9	\$52,939.00	Without Pay	Medical
Public Management & Government	Bessette, Murray	01/11/16	05/14/16	Assoc. Prof. of Government	9	\$61,871.00	Without Pay	Personal
Facilities Management-Building Services	Kline, Joseph	01/18/16	01/22/16	Building Services Technician	12	\$9.06	Without Pay	Suspension
<b>Promotions</b>								
Athletics-Football	Moore, Zachary	03/01/16	12/31/16	Assistant Football Coach/Defensive Coordinator	12	\$48,000.00	Full-Time Fixed	Title Change/Salary Adjustment
Public Management & Government	Masterson, James	07/01/16		Chair & Assoc. Prof. of Government	12	\$91,615.00	Full-Time Standing	Title Change/Salary Adjustment
Veterinary Technology	Staton, Amy	08/08/16		Asst. Prof. of Veterinary Technology	9	\$54,500.00	Full-Time Standing	Title Change/Salary Adjustment
<b>Reassignments</b>								
Facilities Management-Landscaping & Grounds	Wilson, Jordan	01/01/16		Groundskeeper	12	\$9.38	Full-Time Standing	Title Change/Transfer/Salary Adjustment
Human Resources	Black, Paula	01/01/16		Human Resources Generalist	12	\$43,424.00	Full-Time Standing	Title Change/Transfer
Institutional Effectiveness	Hargett, Kathy	11/01/15		Admin. Asst. to Asst. V.P. for Acad. Affairs/Inst. Effect.	12	\$17.56	Full-Time Standing	Title Change/Transfer
<b>Terminations</b>								
Accounting & Financial Services	Anderson, Angela	12/16/15		Accounting Assistant	12	\$13.37		Discharge
Facilities Management-Building Services	Manley, Shawnta	01/08/16		Building Services Technician	12	\$8.64		Discharge
Athletics-Football	Wright, Dontae	01/19/16		Assistant Football Coach/Defensive Coordinator	12	\$49,000.00		Resignation
English	Tyler, Joseph	12/15/15		Post-Doctoral Research Associate	12	\$39,264.00		Resignation
History, Phil., International & Legal Studies	Gardner, Edward	05/17/16		Asst. Prof. of Legal Studies	9	\$54,150.00		Resignation
Housing	Summerlin, Christopher	12/31/15		Director, Housing & Residence Education	12	\$68,000.00		Resignation
Nursing-ADNP	Richardson, Amy Elizabeth	02/17/16		Asst. Prof. of Nursing	9	\$46,145.00		Resignation
Public Management & Government	Bessette, Murray	05/14/16		Assoc. Prof. of Government	9	\$61,871.00		Resignation
Registrar	Perry, Roslyn	02/12/16		Registrar	12	\$86,600.00		Resignation
Computer Science & Information Systems	Hunt, Clifford	06/30/16		Professor of Information Systems	9	\$107,529.00		Retirement
Sociology, Social Work & Criminology	Bishop, Elizabeth	06/30/16		Instructor/Facilitator	12	\$57,476.00		Retirement
<b>Other</b>								
Athletics-Women's Volleyball	Becker, Kyrsten	01/01/16	12/31/16	Assistant Volleyball Coach	12	\$41,500.00		Advanced Degree Increase
University Advancement	Fraley, Sharon	12/13/15		Director of Finance	12	\$44,686.00		Probation Completed
History, Phil., International & Legal Studies	Davison, Scott	02/01/16		Professor of Philosophy	9	\$78,361.00	(revert to 9 month faculty)	Title Change/Salary Adjustment
<b>Total Number of PARs = 43</b>								

**SUPPLEMENTAL ACTIONS****11/7/15 - 2/25/16**

			Effective	Ending		
Name	Title	Department/Office	Date	Date	Salary	Description
Gordon, James	Head Women's Volleyball Coach	Athletics-Women's Volleyball	01/15/16	01/15/16	\$810.00	Eagle Excellence Award
Moore, Keith	Assistant to Dean/MBA Director	Innovation Launchpad	02/01/16	06/30/16	\$5,000.00	Incubator Director
Owen, Kelli	Director of Accounting & Financial Services	Financial Aid	01/01/16	06/30/16	\$4,709.00	Additional Duties
Royar, Robert	Assoc. Prof. of English	Quality Enhancement Plan	08/10/15	12/12/15	\$1,667.00	SACS QEP Director
Taylor, Karen	Assoc. Prof. of French	Honors Program	01/01/16	06/30/16	\$4,658.00	Director of Honors Program
<b>TOTAL NUMBER OF SUPPLEMENTALS = 5</b>						

## **APPROVE CONTRACTS FOR BANKING SERVICES**

**BOR (IV-A-5)  
March 18, 2016**

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### **Recommendation:**

That the Board exercise the option to renew the banking services contracts for the period July 1, 2016 to June 30, 2017 with US Bank of Morehead for the main campus banking, Citizens National Bank in Ashland, Traditional Bank in Mt. Sterling and US Bank local branch in Prestonsburg to serve as depositories for funds collected at those respective regional campus centers.

### **Background:**

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

Using the guidelines for competitive bidding of contracts in KRS Chapter 45A, proposals for banking services were requested in 2012 from the four banks having a presence in Morehead. At the close of that process, a contract was awarded to US Bank for the period beginning July 1, 2012 and ending on June 30, 2013. The contract contained options for four additional one-year renewal periods.

Contracts were also initially awarded to banks in Ashland, Prestonsburg, West Liberty, and Mt. Sterling for banking services for the regional campus centers. These accounts function as clearing accounts for regional campus business transactions. Receipts deposited into the accounts are transferred to the main campus account on a frequent basis. Renewal is being recommended only for the accounts at the Citizens National Bank in Ashland and the Traditional Bank in Mt. Sterling. MSU at Prestonsburg no longer requires a clearing account as US Bank has opened a local branch at that location and the closing of the MSU at West Liberty campus eliminates the need for the Commercial Bank account.

All contract renewals will be effective from July 1, 2016 to June 30, 2017.



## **APPROVE APPOINTMENT OF AUDITING FIRM**

**BOR (IV-A-6)  
March 18, 2016**

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### **Recommendation:**

That, based on the recommendation of the Audit Committee, the Board approve the extension of the auditing services contract with Dean Dorton Allen Ford, PLLC in Lexington to conduct the required annual audits for Morehead State University for the fiscal year that will end on June 30, 2016.

### **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 January 11, 2016, the University issued a request for proposals from qualified public accounting firms to perform the auditing services. The request for proposals was posted on the University's online plan room and registered vendors were notified. The process closed on February 10, 2016. Responses were submitted by two firms:

- Crowe Horwath, LLP, Lexington
- Dean Dorton Allen Ford, PLLC, Lexington

The proposals were independently evaluated by the Chief Financial Officer and VP for Administration, the Director of Internal Audits, the Director of Accounting and Financial Services, the Assistant Director of Accounting and Financial Services, and the Director of Finance for the MSU Foundation. The evaluations were based (40%) on cost factors and (60%) on technical factors; such as the audit firm's technical experience and the audit firm's experience with performing public higher education audits.

The Audit Committee met on March 18, 2016. Based on the evaluations, the Audit Committee recommends the Board approve the appointment of Dean Dorton Allen Ford, PLLC to conduct the annual audits. The contract will be awarded for the fiscal year that will end on June 30, 2016 with the option to extend the contract for four additional one year periods. The fee for the first year of the contract will be \$80,250. Fee adjustments for future contracts will be based on the consumer price index.

**Recommendation:**

That the Board of Regents approve the granting of tenure and promotion to those who are assistant professors to the associate professor rank for the following faculty members with the issuance of their contracts for the 2016-2017 year:

Dr. Karen Pierce, assistant professor of accounting  
Dr. Kimberly Nettleton, assistant professor of education (ECES)  
Mr. Seth Green, assistant professor of art and design  
Dr. Christina Conroy, assistant professor of philosophy  
Dr. Elizabeth Perkins, assistant professor of criminology  
Dr. Lynn Geurin, assistant professor of social work  
Mr. Charles Rogers, assistant professor of nursing (BSN)  
Mr. Kevin Brown, assistant professor of space science

**Background:**

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

**Recommendation:**

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

Dr. Steve Chen, associate professor of sports management, spring 2017  
Dr. Karen Taylor, associate professor of French, spring 2017

**Background:**

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

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

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**BOR (IV-B-5)  
March 18, 2016**

**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, 2016.

**Background:**

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of December 31, 2015, the second quarter of the fiscal year ending June 30, 2016. The statements, along with management's discussion and analysis and budget amendment information are attached.

**Morehead State University  
Management's Discussion and Analysis  
Second Quarter Financial Statements  
December 31, 2015**

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the six months that ended on December 31, 2015. 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 Position include information about the assets, deferred outflows, liabilities, deferred inflows, and net position, of the entire University. The Statements of Revenues, Expenditures and Changes in Net Position provide information about the unrestricted current funds revenues, expenditures and transfers of the University. The statements are prepared on an accrual basis and reflect the results of all transactions that affect the financial status of Morehead State University. These financial statements have not been prepared in full accordance with *Government Accounting Standards Board Statement 35* (GASB 35). Interim statements are prepared using a fund approach to facilitate budget comparisons and management decisions. Year-end statements are prepared in the GASB 35 format.

**Financial Highlights**

Morehead State University's financial picture remains stable through the second quarter of the 2015-2016 fiscal year. During the period July 1, 2015 through December 31, 2015, the University operated with a surplus of revenues over expenditures and transfers in the amount of \$35,063,186. This level of operating surplus is expected at this time, since most of the billings for the Spring 2016 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2015 are reflected. As the fiscal year proceeds, the variance between revenues and expenditures will continue to decrease and should reflect a more appropriate operating surplus or deficit.

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

- Total revenues increased \$1.6 million over last year to \$112.3 million. This is primarily related to the increase in state appropriations to support the new Craft Academy for Excellence in Science and Mathematics which began in Fall 2015. The increase is also related to a 2.9% increase in student tuition and fee rates and a 7.0% increase in residence hall rates.
- The percent of actual total revenue to budget was 70.78% at December 31, 2015 and 71.22% at December 31, 2014. This percentage would be expected at this time, since most of the billings for the Spring 2016 semester are reflected in revenue.
- Total expenses were approximately \$77.3 million at December 31, 2015 and \$74.9 million at December 31, 2014. The \$2.4 million increase in actual expenses is related to budgeted increases in fixed costs such as scholarship commitments, insurance premiums, debt service payments and expenses related to campus renovations and construction projects. The Office of Financial Aid was reorganized from Academic Affairs to the Division of Administration and Fiscal Services. As a result of this reorganization, scholarships and tuition waiver budgets were also moved from Academic Affairs to Administration and Fiscal Services.
- Net change in net position decreased \$819 thousand to \$35.1 million as compared to \$35.9 million at December 31, 2014. This is the 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 Net Position  
For the Six Months Ended December 31, 2015 and 2014

	2015-2016			2014-2015		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>Revenues</b>						
<b>Educational and General</b>						
Tuition and Fees	\$74,728,245	\$66,992,532	89.65%	\$74,796,350	\$66,661,105	89.12%
Govt Appropriations	43,339,500	23,861,475	55.06%	41,545,925	22,601,509	54.40%
Indirect Cost Reimbursement	923,047	431,637	46.76%	585,000	406,660	69.51%
Sales & Services Ed Activities	1,813,773	1,217,292	67.11%	1,957,183	1,509,224	77.11%
Other Sources	3,296,593	2,640,294	80.09%	3,167,310	2,617,803	82.65%
Budgeted Fund Balance-E&G	13,864,597	-	0.00%	13,428,640	-	0.00%
<b>Total Educational and General</b>	<b>\$137,965,755</b>	<b>\$95,143,230</b>	<b>68.96%</b>	<b>\$135,480,408</b>	<b>\$93,796,301</b>	<b>69.23%</b>
<b>Auxiliary Enterprises</b>						
Housing	\$13,389,000	\$13,367,255	99.84%	\$12,553,400	\$12,686,898	101.06%
University Store	5,352,577	2,824,484	52.77%	4,877,432	2,845,909	58.35%
Food Services	771,000	508,196	65.91%	966,343	940,538	97.33%
Other	1,069,800	503,902	47.10%	1,069,300	464,694	43.46%
Budgeted Fund Balance - Auxiliary	183,742	-	0.00%	527,263	-	0.00%
<b>Total Auxiliary Enterprises</b>	<b>\$20,766,119</b>	<b>\$17,203,837</b>	<b>82.85%</b>	<b>\$19,993,738</b>	<b>\$16,938,039</b>	<b>84.72%</b>
<b>Total Revenues</b>	<b>\$158,731,874</b>	<b>\$112,347,067</b>	<b>70.78%</b>	<b>\$155,474,146</b>	<b>\$110,734,340</b>	<b>71.22%</b>

Morehead State University  
Unrestricted Current Funds  
Statements of Revenues, Expenditures & Changes in Net Position  
For the Six Months Ended December 31, 2015 and 2014

	2015-2016			2014-2015		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>Expenditures and Transfers by Division</b>						
<b>Educational &amp; General</b>						
President & Administration	\$1,313,234	\$688,675	52.44%	\$1,122,331	\$512,609	45.67%
University Advancement	4,786,549	2,488,107	51.98%	5,060,791	2,693,157	53.22%
Administration & Fiscal Services	44,354,945	24,521,762	55.29%	21,985,620	13,607,671	61.89%
Student Life	14,469,115	7,704,994	53.25%	13,994,754	7,447,503	53.22%
Academic Affairs	59,969,363	26,771,346	44.64%	83,126,456	37,844,362	45.53%
Other	13,953,758	6,151,122	44.08%	12,138,323	4,436,980	36.55%
<b>Total Educational &amp; General</b>	<b>\$138,846,964</b>	<b>\$68,326,006</b>	<b>49.21%</b>	<b>\$137,428,275</b>	<b>\$66,542,282</b>	<b>48.42%</b>
<b>Auxiliary Enterprises</b>						
Housing	\$13,350,088	\$5,068,423	37.97%	\$11,697,240	\$4,339,283	37.10%
University Store	4,637,750	2,871,476	61.92%	4,450,135	3,016,767	67.79%
Food Services	512,828	228,656	44.59%	484,446	218,966	45.20%
Other	1,384,244	789,320	57.02%	1,414,050	734,967	51.98%
<b>Total Auxiliary Enterprises</b>	<b>\$19,884,910</b>	<b>\$8,957,875</b>	<b>45.05%</b>	<b>\$18,045,871</b>	<b>\$8,309,983</b>	<b>46.05%</b>
<b>Total Expenditures and Transfers by Division</b>	<b>\$158,731,874</b>	<b>\$77,283,881</b>	<b>48.69%</b>	<b>\$155,474,146</b>	<b>\$74,852,265</b>	<b>48.14%</b>
<b>Net Change in Net Position</b>		<b>\$35,063,186</b>			<b>\$35,882,075</b>	

Morehead State University  
Statements of Net Position  
December 31, 2015 and 2014

Assets and Deferred Outflows	2015	2014
Current assets:		
Cash and cash equivalents	\$ 59,046,499	\$ 30,716,126
Accounts, grants and loans receivable, net	46,732,490	49,352,244
Inventories	1,633,592	1,673,116
Other current assets	1,252,460	-
Total current assets	108,665,041	81,741,486
Noncurrent assets:		
Accounts, grants and loans receivable, net	3,676,586	3,803,772
Investments	12,932,357	12,906,087
Capital assets, net	207,148,065	199,998,346
Total noncurrent assets	223,757,008	216,708,205
Total assets	332,422,049	298,449,691
Deferred Outflows of Resources:		
Pensions	8,370,393	-
Total deferred outflows of resources	8,370,393	-
Total assets and deferred outflows of resources	\$ 340,792,442	\$ 298,449,691
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,590,824	\$ 8,872,810
Unearned revenue	1,876,602	1,586,347
Bonds and capital lease obligations, current portion	4,668,602	4,850,549
Total current liabilities	16,136,028	15,309,706
Long-term liabilities:		
Bonds and capital lease obligations, noncurrent portion	91,493,404	59,884,364
Advances from federal government for student loans	3,397,769	3,507,148
Unearned revenue	290,235	290,235
Net pension liability	194,699,258	-
Total long-term liabilities	289,880,666	63,681,747
Total liabilities	306,016,694	78,991,453
Deferred Inflows of Resources:		
Deferred bond reoffering premium	2,526,389	2,526,389
Pensions	10,704,804	-
Total deferred inflows of resources	13,231,193	2,526,389
Net Position:		
Net investment in capital assets	108,459,668	132,737,042
Restricted:		
Expendable	38,923,955	9,066,733
Nonexpendable	12,921,661	12,900,006
Unrestricted	( 138,760,729 )	62,228,068
Total net position	21,544,555	216,931,849
Total liabilities, deferred inflows and net position	\$ 340,792,442	\$ 298,449,691

See Attached Notes To Statements of Net Position



**Morehead State University**  
**Notes to the Statements of Net Position**  
**December 31, 2015 and 2014**

1. The Statements of Net Position include the unrestricted current funds, restricted current funds, endowment funds, loan funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts, grants, and loans receivable are shown net of allowance for uncollectible student accounts of \$2,580,385 at December 31, 2015 and \$2,370,335 at December 31, 2014. Also, included in this category is \$3.7 million in receivables from federal and state grant agencies at December 31, 2015 and \$5.9 million at December 31, 2014.
3. Other current assets include financial commitments from the MSU Foundation for campus construction and renovation projects.
4. Noncurrent accounts, grants and loans receivable represent balances owed to the University from borrowers who have participated in the Federal Perkins Loan Program.
5. Capital assets, net increased approximately \$7.1 million from the previous year. This increase was due to expenditures for construction projects which include the student residential facilities, IT infrastructure, food service/parking structure, student services facility expansion/renovation and McClure pool renovations. Accumulated depreciation on buildings and equipment was \$171,224,508 at December 31, 2015 and \$161,773,150 at December 31, 2014.
6. Deferred outflows of resources include the amount of pension contributions paid to KTRS and KERS from July 1, 2014 through June 30, 2015. These contributions were paid subsequent to the June 30, 2014 measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.
7. 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 Position date.
8. Unearned revenue from federal and state grants represent amounts received but not expended at the Statements of Net Position date.
9. Bonds and capital lease obligations include the current and long-term portions of amounts borrowed to finance the purchase of plant assets. On March 25, 2015 the University issued 2015 Series A General Receipts Bonds in the amount of \$28.2 million. These bonds were issued to construct student residential facilities on campus and at the Derrickson Agricultural Complex. Capital leases also increased by \$5 million for the IT Infrastructure project. The University also made principal payments on outstanding debt in the amount of \$4.6 million.
10. Net pension liability is due to the implementation of GASB 68 which required Morehead State University to record its proportionate share of the Commonwealth of Kentucky's net pension liability.
11. Deferred inflows of resources include the bond reoffering premium from the issuance of the 2014 Series A and B General Receipts Bonds. The premium will be amortized over the life of the refunded bond issuances. Also, included in this category is the projected difference between projected and actual investment earnings on pension plan investments and changes in assumptions. The pension amount will be amortized over the next five years.

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period October 1, 2015 to December 31, 2015**

<b>Description</b>	<b>Opening Budget As of 10/1/2015</b>	<b>Adjustments</b>	<b>Amended Budget As of 12/31/2015</b>
<b>Revenues and Other Additions</b>			
Tuition and Fees	\$ 74,722,836	\$ 5,409	\$ 74,728,245
Government Appropriations	43,339,500	-	43,339,500
Indirect Cost Reimbursement	900,000	23,047	923,047
Sales and Services of Ed. Activities	1,698,335	115,438	1,813,773
Other Sources	2,759,927	536,666	3,296,593
Budgeted Fund Balance - E&G	14,345,962	(481,365)	13,864,597
Auxiliary Enterprises	20,579,520	2,857	20,582,377
Budgeted Fund Balance - AUX	657,041	(473,299)	183,742
<b>Total Revenues and Other Additions</b>	<b>\$ 159,003,121</b>	<b>\$ (271,247)</b>	<b>\$ 158,731,874</b>
<b>Expenditure Authorizations by Division</b>			
<b>Educational &amp; General</b>			
President & Administration	\$ 1,163,902	\$ 149,332	\$ 1,313,234
University Advancement	4,732,656	53,893	4,786,549
Administration & Fiscal Services	44,094,158	260,787	44,354,945
Student Life	14,425,267	43,848	14,469,115
Academic Affairs	61,036,983	(1,067,620)	59,969,363
Debt Service & Mandatory Transfers	3,594,642	-	3,594,642
Other	10,198,874	160,242	10,359,116
<b>Total Educational &amp; General</b>	<b>\$ 139,246,482</b>	<b>\$ (399,518)</b>	<b>\$ 138,846,964</b>
<b>Auxiliary Enterprises</b>			
Administration & Fiscal Services	\$ 13,495,700	\$ 545,567	\$ 14,041,267
Student Life	853,371	62,003	915,374
Debt Service	4,928,269	-	4,928,269
Other	479,299	(479,299)	-
<b>Total Auxiliary Enterprises</b>	<b>\$ 19,756,639</b>	<b>\$ 128,271</b>	<b>\$ 19,884,910</b>
<b>Total Expenditure Authorizations</b>	<b>\$ 159,003,121</b>	<b>\$ (271,247)</b>	<b>\$ 158,731,874</b>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period October 1, 2015 to December 31, 2015**  
**Notes of Significant Adjustments to Revenue and Other Additions**

**Sales and Services of Educational Activities**

Unbudgeted revenue allocated during the second quarter totaled \$115,438

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$23,105
- Men's Basketball Guarantee allocations were \$45,000
- Women's Basketball Guarantee allocations were \$25,000
- Career/Placement Revenue allocations to Career Services were \$1,500
- Other miscellaneous revenue totaling \$20,833 was allocated to Academic Affairs

**Other Sources**

Unbudgeted revenue allocated during the second quarter totaled \$536,666

- Unbudgeted support from the MSU Foundation totaled \$491,167
  - \$249,237 Administration & Fiscal Services – Auxiliary Facility Remodeling (*Craft Academy*)
  - \$150,000 President & Administration
  - \$38,500 Student Life – E&G
  - \$32,284 Academic Affairs
  - \$14,244 University Advancement
  - \$6,082 Administration & Fiscal Services – E&G
  - \$820 Student Life – Auxiliary
- Endowment income allocations to Academic Affairs totaled \$57,112
- Other miscellaneous revenue totaled (\$11,613)
  - \$19,000 Administration & Fiscal Services – Auxiliary Facility Remodeling (*Derrickson Agricultural Complex*)
  - \$532 Student Life
  - \$25 Administration & Fiscal Services – E&G
  - (\$31,170) Academic Affairs

**Fund Balance E&G**

Budgeted allocations from Fund Balance for educational and general purposes during the second quarter totaled (\$481,365)

- \$140,000 Harris Search Associates to provide professional search and recruiting services
- \$6,176 Supplemental pay to Athletic Director for achieving an overall APR
- \$5,816 Supplemental pay to Director of Accounting and Financial Services
- \$2,059 Supplemental pay for faculty member to serve as SACS QEP Director
- (\$55,760) Reimbursement to Fund Balance for vacated Admissions Liaison for School & Alumni Relations position
- (\$579,656) Reimbursement to Fund Balance of overestimated carry forward for capital constructions projects

**Fund Balance – Auxiliary**

Budget allocations from fund balance for auxiliary purposes during the second quarter totaled (\$473,299)

- \$6,000 Eagle Trace Golf Course utilities (due to water leak)
- (\$479,299) Reimbursement to Auxiliary Fund Balance of overestimated carry forward for capital constructions projects

**MOREHEAD STATE UNIVERSITY**  
**Budget Amendments Greater Than \$200,000**  
**For the Period October 1, 2015 to December 31, 2015**

<b>From:</b> <b>Revenue and Other Additions</b>	<b>To:</b> <b>Division/ Budget Unit</b>	<b>Amount</b>	<b>Description</b>
Other Sources	Administration & Fiscal Services Auxiliary Facility Remodeling	\$ 249,237	Funds were transferred from the MSU Foundation to contribute toward the cost of renovating Grote-Thompson Hall that houses the Craft Academy for Excellence in Science and Mathematics. The funding originated from the donation received from Mr. Joe Craft to support the new dual enrollment high school academy. The project scope of the renovation project in 2016 is \$500,690 with \$251,453 to be funded from state appropriation allocated specifically for the Craft Academy.
Fund Balance - E&G	E&G - Other Non-Mandatory Transfers	\$ (579,656)	Fund balance was allocated in the July 1 opening budget to cover the estimated carry forward of prior year funds for ongoing capital construction projects. The opening budget allocation for E&G projects was overestimated by \$579,656. Therefore, the allocation of fund balance was reduced during the second quarter to the exact amount needed to cover the carry forward.
Fund Balance - Auxiliary	Auxiliary - Other Housing Transfers	\$ (479,299)	The July 1 opening budget fund balance allocation for auxiliary facility renovation projects was overestimated by \$479,299. Therefore, the allocation of auxiliary fund balance was reduced during the second quarter to the exact amount needed to cover the carry forward.

**MOREHEAD STATE UNIVERSITY**  
**Capital Outlay Status Report**  
**Agency Funds**  
**For the Period of October 1, 2015 to December 31, 2015**

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
<b>I. Equipment Purchases \$200,000 or Greater</b>			
None			
<b>II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater</b>			
East Parking Structure and Dining Commons - Phase I <i>(Reduced total project scope from \$17,600,000 and separated into two phases. Estimated project scope for Phase II is \$6,600,000)</i>	\$ 15,416,100		Under Construction
McClure Pool Renovation/Volleyball Facility	\$ 1,400,000		Under Construction
Residence Hall - Derrickson Agricultural Complex	\$ 2,735,000		Under Construction
Residence Hall - On Campus	\$ 28,000,000		Under Construction
Unified Security and Access Control	\$ 1,400,000		In Progress
IT Infrastructure/Fiber Upgrade	\$ 8,600,000		In Progress

**APPROVE ACQUISITION OF REAL PROPERTY-  
ROWAN COUNTY BOARD OF EDUCATION**

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**BOR (IV-B-6)  
March 18, 2016**

**Recommendation:**

That the Board approve the acquisition of the Rowan County Board of Education Property.

**Background:**

The University has the opportunity to acquire property located within the Campus Master Plan currently owned by the Rowan County Board of Education. The property is located on the corner of Second Street and Tippet Avenue with a street address of 121 East Second Street, Morehead, KY. The property real estate consists of a two-story brick special use building containing 23,219 +/- square feet in structural improvements, 0.97 +/- acres of land and site improvements.

The \$2,000,000 purchase price of the property is supported by an appraisal completed in March 2015 by James Doran, Certified General Appraiser of Lexington, Kentucky. The owners have agreed to a finance term of three annual payments of \$700,000 at closing, \$700,000 due July 1, 2017 and a final installment of \$600,000 due July 1, 2018. The property would be acquired in accordance with procedures for acquisition of real property contained in the Kentucky Revised Statutes.

The Policies Related to Real Property Management adopted by the Board on November 17, 1999 provide that the President may initiate the acquisition of real property included in the Campus Master Plan. This property was designated in the Campus Master Plan as a "High Priority" property identified as having immediate adjacency to the University and is critical for the continued growth of programs and facilities. Per the property sale/purchase agreement for the purchase of this property, the University's Board of Regents must approve the acquisition.

## Resolution for Acquisition of Property

**WHEREAS**, upon the recommendation of the President on March 18, 2016, the Board of Regents has reviewed the request to acquire real property described as:

A parcel of land located on the corner of Second Street and Tippet Avenue in Morehead, Rowan County, Kentucky with a street address of 121 East Second Street. The property consists of a two-story brick special use building containing 23,219 +/- square feet in structural improvements, 0.97 +/- acres of land and site improvements. The legal description is found in Deed Book 132, Page 248, recorded in the Rowan County Court Clerk's Records.

**WHEREAS**, the acquisition of the above mentioned property is consistent with the needs of the University; and

**WHEREAS**, the acquisition of the above mentioned property is in the best interest of the Commonwealth of Kentucky; and

**WHEREAS**, an independent appraisal has been obtained for the purpose of establishing that the fair market value of the property supports the acquisition price of the property; therefore

**BE IT RESOLVED**, by the Morehead State University Board of Regents that upon approval of the appraisals by the Secretary of the Finance and Administration Cabinet the President is authorized to acquire the above described property from the Rowan County Board of Education.

**RECOMMENDED:**

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

\_\_\_\_\_  
Date

**APPROVED:**

\_\_\_\_\_  
Paul Goodpaster, Chair  
MSU Board of Regents

\_\_\_\_\_  
Date



## **APPROVE DISPOSAL OF REAL PROPERTY**

**BOR (IV-B-7)  
March 18, 2016**

### **Recommendation:**

That the Board approve the Order to Dispose of Property relating to the sale of the MSU West Liberty Regional Campus facility.

### **Background:**

MSU maintains a regional campus facility in West Liberty, Morgan County, Kentucky. Over the past decade, significant growth in online course delivery combined with a decline in population within the region has significantly reduced the demand for delivery of face-to-face courses. The overhead of the facility exceeds the net tuition revenue generated annually.

The Morgan County Board of Education has expressed a desire to acquire the facility as a system office and educational resource facility to support the school district. Authorization is being requested from the Board to declare the MSU West Liberty facility surplus to allow for sale of the facility to the Morgan County Board of Education.

MSU has negotiated with the Morgan County Board of Education a purchase price of \$1.849 million based on appraisals completed in 2015 by Curd Professional Appraisal Services of Morehead, Kentucky and James Doran of Lexington, Kentucky. The price also includes consideration for the University to retain long-term space in the facility at no cost to accommodate the MSU Adult Education Center and other ongoing and future academic and regional outreach efforts offered to the region.

### **Statutory Authority**

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

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

#### **MSU at West Liberty Regional Campus Facility**

MSU maintains a regional campus facility in West Liberty, Morgan County, Kentucky. Over the past decade, significant growth in online course delivery combined with a decline in population within the region has significantly reduced the demand for delivery of face-to-face courses reducing the space needed at the regional campus. The operating overhead of the facility exceeds the net tuition revenue generated annually.

With Board approval, the University would like to pursue a sale of the facility to the Morgan County Board of Education. Terms of the sale will include retaining sufficient space in the facility to support the MSU Adult Education Center and other ongoing and future academic or outreach services within the region.

**ORDER TO DISPOSE OF PROPERTY**

**WHEREAS**, upon the recommendation of the President on March 18, 2016, the Board of Regents has reviewed the Written Request to Dispose of Property in reference to the sale of the MSU at West Liberty Regional Campus Facility, and

**WHEREAS**, the President of Morehead State University declares that the referenced buildings have become surplus to the University's needs, and

**WHEREAS**, the sale of the property referenced above is consistent with the University's Campus Master Plan adopted by the Board, and is in the best interest of the University and the Commonwealth of Kentucky.

**BE IT RESOLVED**, that the President is authorized to proceed with the final negotiation and sale of the MSU at West Liberty Regional Campus Facility.

**RECOMMENDED:**

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

\_\_\_\_\_  
Date

**APPROVED:**

\_\_\_\_\_  
Paul Goodpaster, Chair  
MSU Board of Regents

\_\_\_\_\_  
Date

Table 1: Winter Term Enrollment, Credit Hours, and FTE\*

	Headcount	Credit Hours Generated	FTE
Winter 2015	324	1,075	76

\*The Kentucky Council of Postsecondary Education includes the winter term with the spring term for reporting purposes.

Table 2: Spring Enrollment, Credit Hours, and FTE as a Percentage of Fall Numbers

Term	Headcount	Spring as a % of Fall	Credit Hours Generated	Spring as a % of Fall	FTE	Spring as a % of Fall
Fall 2011	10,971		106,315		7,241	
Spring 2012	9,424	85.9%	95,232	89.6%	6,498	89.7%
Fall 2012	11,172		110,859		7,537	
Spring 2013	9,516	85.2%	96,994	87.5%	6,603	87.6%
Fall 2013	11,358		114,224		7,741	
Spring 2014	9,728	85.6%	101,387	88.8%	6,876	88.8%
Fall 2014	11,053		113,494		7,678	
Spring 2015	9,519	86.1%	99,912	88.0%	6,766	88.1%
Fall 2015	10,875		112,282		7,592	
Spring 2016*	9,352	86.0%	99,046	88.2%	6,706	88.3%

Table 3: Enrollment by Classification

Classification	Fall 2015	Winter 2015	Spring 2016*	Spring as a % of Fall
High School	2,499	0	1,714	68.6%
Craft Academy	60	0	59	98.3%
Freshman	1,901	45	1,253	65.9%
Sophomore	1,442	32	1,255	87.0%
Junior	1,600	44	1,572	98.3%
Senior	2,025	116	2,138	105.6%
UnderGrad-Nondegree	183	3	215	117.5%
PostBacc UG Degree Seeking	70	4	70	100.0%
Auditor	3	0	5	166.7%
<b>Undergraduate Total</b>	<b>9,783</b>	<b>244</b>	<b>8,281</b>	<b>84.6%</b>
Masters	844	57	832	98.6%
Specialist	64	1	68	106.3%
Doctor's Degree Prof. Practice	70	7	69	98.6%
Graduate Certificate	1	0	1	100.0%
Graduate-Nondegree	113	15	101	89.4%
<b>Graduate Total</b>	<b>1,092</b>	<b>80</b>	<b>1,071</b>	<b>98.1%</b>
<b>Grand Total</b>	<b>10,875</b>	<b>324</b>	<b>9,352</b>	<b>86.0%</b>

\*All Spring 2016 data is preliminary.

## **REPORT ON PERSONAL SERVICE CONTRACTS**

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**BOR (IV-C-2)**  
**March 18, 2016**

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between November 1, 2015 through February 15, 2016.

**PERSONAL SERVICE CONTRACTS**  
**November 1, 2015 through February 15, 2016**

<b>Individual/Firm</b>	<b>Contract Description</b>	<b>Contract Beginning Date</b>	<b>Contract Ending Date</b>	<b>Contract Amount</b>	<b>Method of Selection</b>
Brenda Wilburn	Provide healthcare to students	1/19/16	6/30/16	\$ 27,000.00	Request for Proposal