Response of Beth Patrick about NCAA Penalty request from the Faculty Senate.

In accordance with the charge you gave me at the February 16th meeting, I asked CFO Beth Patrick about both the $1,000,000 dollars for the Ellucian upgrade and the $5,000 penalty. Here are the answers:

NCAA Penalty: According to Brian Hutchinson, the $5,000 NCAA penalty was paid on Friday using an Athletics purchasing card and a transfer has been issued from an unrestricted athletic fund account at the MSU Foundation (I.e. Private funds) to cover the expenditure. So, yes, it has been paid. It was paid on Friday (17 February) and the source is unrestricted athletic funds generated from private gifts and held in an MSU Foundation account.

Ellucian Upgrade:
MSU has been utilizing its current ERP business management software application, Colleague, for over ten years. A two-year contract with Ellucian, the software vendor for Colleague, was signed on December 29, 2015 after months of consultation and planning with the software provider. The purpose of the contract is to acquire services from Ellucian to assist MSU with a comprehensive assessment, refresh and upgrade to ensure the ERP application remains functional and continues to meet the campus needs.

The contract fixed the pricing through December 31, 2017 for a full spectrum of potential services and software that MSU might need to consider following an assessment and needs analysis for the ERP refresh project. The contract does not guarantee that MSU will purchase any specific level of the services and software updates priced in the contract but simply locks the prices for MSU for the two-year duration of the contract ending December 31, 2017. At that point, the pricing for any services and software remaining that will still be completed will need to be renegotiated. The contract includes potential services and software upgrades to address needs in multiple areas across campus including:

- *SQL Migration Services*

- *Linus Migration Services*

- *Usage Audits for the following areas to complete needs assessment*

    o *Communications Management*

    o *Financials*

        § *General Ledger*

        § *Accounts Payable*

        § *Requisitions*

        § *Purchase Orders*

        § *Budget Management/Position Budgeting*

        § *Financial Reporting*

        § *Projects Accounting*

- § *Online approval processing*

- § *Web requisitions*

- *Colleague Recruiter (Methods Review)*

- *Academic Records, Registration, Curriculum*

- *Colleague Accounts Receivable/Cash Receipts*

- *Accounting Receivable/Cash Receipts*

  - o *AR Account Management*

  - o *Billing, Automated, Miscellaneous and Sponsor*

  - o *Payment Plans*

  - o *Cash Receipts*

  - o *Deregistration Process*

  - o *eCommerce*

  - o *Refunds*

  - o *GL Reconciliation*

  - o *Reporting*

- *Rules Writing Techniques*

- *Business Process Management Review*

  - o *Finance*

  - o *Financial Aid*

  - o *Human Resources and Payroll*

  - o *Student – Accounts Receivable*

  - o *Student – Records and Registration*

  - o *Student – Recruiting and Admissions*

  - o *Human Resources and Payroll*

- *Student Self-Service*

- *Financial Aid Self-Service*

- *Student Planning – Software Implementation*

- Assignment Contracts

- Intelligent Learning Platform – integration with Blackboard

- Ellucian Portal Upgrade

- Recruiter Upgrade and Migration to Cloud Hosting

- Registration Self-Service

- Project Management

- Change Management Readiness

- Data Governance

- IT Organizational Assessment

- Student Retention and Success 360°

- Reporting Governance

- Business Intelligence

- Reporting and Analytics Consulting

- Dashboard Services

The initial step in the process was to develop a detailed charter document that outlined details about the project including scope and sponsorship responsibility. A copy of the Project Charter is attached.

To date, a total of $199,632 in project services have been purchased from the Ellucian project or about 20% of the total contract amount. The work is ongoing and additional projects are being scheduled. However, the full scope of the overall project will extend beyond the current contract period due to limited personnel resources available to dedicate to the work while continuing to maintain existing IT services.

The non-recurring funding for the portion of the project completed to date are being covered from $520,381 of IT operating resources set aside in 2015-16 with the additional project amount budgeted in the current year from E&G fund balance resources. Any unused portion of the fund balance allocation at the end of the project will revert back to E&G fund balance.

The statement on page 1, items 1 in Appendix A of the Morehead State University Public Infractions Decision issues by the NCAA on February 2017 states, "Morehead State University has recently invested over one million dollars to purchase modules of updated software to provide a means to closely track the progress toward degree for all students, including specifically athletes. The need for and purchase of this software came about as a direct result of NCAA findings during the APP audit." **While I cannot explain how the NCAA came to the above conclusion it is not factually accurate**.

The Ellucian refresh project was well into the planning stages long before the NCAA notified MSU Athletics on June 9, 2015, that they had found 49 student-athletes, primarily transfers, in nine sports had competed and received travel expenses while ineligible for failure to meet progress-toward-degree requirements. It was, however, pointed out in many interviews with the NCAA auditors, that MSU was in the process of a major software refresh/upgrade project with a potential investment of $1 million but to my knowledge was there an indication that this project was a result of the NCAA eligibility issue. It was mentioned to show MSU's commitment to maintaining an effective system for processing and maintaining up-to-date technology systems.   This project will bring many benefits, new tools and improvements in the Colleague Datatel system but these were all planned well before even knowledge that we had been selected for a NCAA compliance audit.

The origin of the Ellucian refresh project was initiated upon completion and Board approval of University Technology Plan (UTP) in 2012. The UTP identified 15 Primary Strategic Technology Initiatives to be addressed with four of the 15 being prioritized as "foundational". Two of the foundational initiatives identified in the UTP will be addressed as part of the Ellucian refresh and upgrade project.

The Ellucian refresh project includes implementation of two new Colleague Modules mentioned specifically in the NCAA report. The ADVISE model was implemented in 2016 as part of the Ellucian Project to replace an existing third-party application, MapWorks, that was no longer able to meet the needs of the Office of Student Success for tracking potentially at-risk students.   The STUDENT PLAN module was identified as a critical resource when it was first released by Ellucian as a way to help improve student success across campus for all students. Offices that will be involved in implementation of STUDENT PLAN are in the beginning stages of planning for the new module. It was not selected for the purpose of tracking progress-toward-degree of our athletes but it should help improve the resources they use for that purpose.

Other significant implementation that has been completed as part of this project includes an upgrade of the RECRUITER module and migration of that application to be cloud-hosted. This module is used by Enrollment Services for identifying, tracking and communicating with student prospects. A student self-service module became available this semester and numerous training and needs assessments have also been completed to date as part of this project.