

Regent Report to the Faculty Senate for March 16, 2017

From Quarterly Board of Regents Meeting of March 9, 2017

by Royal Berglee

The MSU Board of Regents met for their quarterly business meeting on March 9th in the CHER building. A number of standard agenda items were approved along with items of interest regarding faculty. The full agenda book with the operating budget is available online.

The Board of Regents approved 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 2017-2018 year:

- Dr. Bo Shi, assistant professor of finance
- Dr. Johnathan Nelson, assistant professor of management
- Dr. Janet Ratliff, assistant professor of management/entrepreneurship
- Dr. Julie Rutland, assistant professor of education (ECESE)
- Dr. Jonathan Pidluzny, assistant professor of government

The Board of Regents approved the granting of sabbatical leaves for the following faculty:

- Dr. Bernadette Barton, professor of sociology, fall 2017
- Dr. Royal Berglee, professor of geography & international studies, spring 2018
(personal note: I was so pleased that I even sustained from voting on this! ;)
- Dr. Layne Neeper, professor of English, fall 2017
- Mr. Dongfeng Li, associate professor of art, fall 2017

The Board accepted the financial statements and amended the operating budget for the second quarter of the fiscal year that will end June 30, 2017. The current annual operating budget of the University is 153,298,422. A number of budget items were discussed in various levels of detail. A number of these items were addressed in the first-hand report that Senator Annie Adams provided to the Faculty Senate. Here are three items of interest.

1) The chiller replacement for Lappin Hall was one item. As indicated in Senator Adam's report, I supported the repair of the chiller, but had questions regarding the amount and how it impacted the Fund Balance.

Fund Balance – E&G

Budgeted allocations from Fund Balance for educational and general purposes during the second quarter

- \$442,286 Lappin Hall chiller replacement

The questions stemmed from the initial statement that the chiller would cost \$1.1 million. Last September it was indicated that the money released from the state of \$886,000 would go toward the \$1.1 million expense. The cost of the chiller and the engineer's work to install it with a rental unit was only listed as \$442,286 in the current budget report. The response from Beth Patrick was that further repairs for Lappin will be a part of a larger overall project cost but those details were not available in the current board meeting.

2) Another budget item that I enquired about was the \$8.6 million that has been on the budget since 2015 for IT Infrastructure/Fiber Upgrade. This was explained to be for the installation of the fiber optics and Internet access for the campus and is listed as in-progress for the past couple of years.

II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater

IT Infrastructure/Fiber Upgrade	\$ 8,600,000	In Progress
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I wanted to know what this covered and a more detailed summary of the expenditures. None was available in this meeting. The line item was listed as in-progress because the last component of this project will be the connection to the data center in the new addition of ADUC. I have not received a breakdown report of what the \$8.6 million IT upgrade entailed. I pointed out that this was in addition to the \$1 million cap of the open agreement with Ellucian for software that was brought up in regard to the NCAA violation. A point of note

is that the almost ten million dollar investment in the institution does not include the replacement of the outdated computers that many faculty are using in their offices, laboratories, and in their research.

3) During budget discussion, Regent Kathy Walker from Paintsville inquired about the \$15,000 contract to the firm of Witt Kieffer for the purpose of hiring an Executive Search for a Head Basketball Coach. The question arose as to the necessity of this search firm and the timing of the search. Athletics Director Brian Hutchinson was asked to respond. He assured the board that the search firm was necessary and the timing was appropriate for the need for recruitment of players. The decision to hire a search firm was made by the president.

Questions regarding other budget items were more routine. However, these three items offered important indications of budget concerns. Allow me to elaborate. When I inquired about the cost of the chiller for Lappin Hall to understand how the \$442,286 fit into the budget of the Fund Balance, President Andrews challenged my inquiry by demanding to immediately know if I did not support the replacement of the chiller. This moment was an indicator of the times and the current presidency. My support for fixing Lappin was never in question. It is my obligation and responsibility as a regent to understand the budget and know how our funds are being allocated. For example, if the chiller project only cost about half of the state's give-back of \$886,000 then I would like to know where the rest of these funds have been allocated. If we can hire a new head basketball coach without the need for a search firm then I want to know so the \$15,000 can go toward other needed items such as replacing outdated computers and software for faculty.

These issues are important. The Fund Balance can be carried over from one year to the next. These funds are part of the E&G Budget (Education and General) which are not encumbered into a strict line item. If items such as the chiller for Lappin and the basketball coach contract do not fall under a specific line item budget then they often come out of the Fund Balance. When the new rules of Performance-Based Funding are implemented in the fall, there will no doubt be items that the new president will want to include for the success of the initiative. He will need an appropriate Fund Balance to do this.

For successful Performance-Based Funding there will be a much higher emphasis on academics and the faculty-student interaction. Just as Dr. Morgan outlined in his forum with faculty, funding from the state will focus more on the teaching and learning environment. So, do we need a new chiller for Lappin? Do we need a basketball coach? Do we need an updated computer system? We may need all these items, but how we go about choosing to address them with our limited funds will be critical to the success of our Performance-Based Funding future.

The deep hole of reduced funding, extra work loads, loss of personnel, salary reductions, and low morale that Academic Affairs finds itself in will need a lot more than a healthy Fund Balance to bring it back to a level of productivity to meet the heavy demands of the Performance-Based Funding model. I will be working with the members of the Board of Regents to help them understand this.

One final item from the Board of Regents meeting -- after meeting in closed session, the board passed a motion to enter into negotiation with Dr. Jay Morgan to be our next president. This may take a week or so because of everyone's schedules. Nevertheless, this is most likely going to be concluded in the next couple of weeks. I encourage my colleagues in the academy to reach for as much optimism as possible to enter into the next stage of MSU's future with the mandated Performance-Based Funding model under a new president. Let's give the new president the benefit of the doubt and support him in taking over from where we are. He is going to need all the help he can get and we need all the support possible to do our work. We cannot predict the future, but we can work to shape it into the future that we want.

Thank you all for your support. Keep up the good work.