

Faculty Regent report (prepared for the June 25th Senate meeting)

The BOR held its quarterly meeting on June 18 in ADUC Room 329.

Commendations and Consent Agenda

The outgoing president of the Student Government Association, Colby Birkes, gave a report on SGA's actions for the year and received a commendation for his service. The body elected Kathy Walker chair and Eric Howard vice chair. Mary Fister-Tucker (our new CFO) was elected Treasurer, and Jaqueline Graves was reappointed secretary. Regent Howard, not wishing to "get political," nonetheless praised the institution for its quick response to the recent protests.

The consent agenda included rather standard fare (the minutes of the previous meeting, spring graduates, personnel actions, the granting of emeritus status) as well as the one-time extension of PAC-27, the revised Senate constitution, and mostly non-substantive updates to policy. Before we approved the agenda as a whole, I made a brief statement re: university policy. I expressed regret that the load of instructors was unilaterally increased by administrative fiat some years back, and that subsequent Senate actions could not countermand this violation of policy. The revision to PAC-29 up for consent in the Board book was actually a rewrite of policy designed to conform to institutional practice. I expressed my hope that this would be the last time the institution would make such a retroactive move

Financials

The bulk of the open meeting was devoted to a discussion of the third quarter financial statement (offered in a new format design to align with our audited statements) and the 2020-2021 operating budget. The revised financial statement, which included information up to March 30th, does not include either the refunds given to students for housing and meal plans or the stimulus money from the government (the CARES grant).

During the discussion of the statements and the budget, the President noted that the MSU has begun to draw down its CARES money, and we have used it for covid-related expenses, such as the purchase of PPE equipment.

The budget, which we knew, pre-pandemic, was going to take a hit (we were scheduled to lose 2% of our state appropriation in the current performance funding model), was even further contracted by pandemic-related losses in enrollment and housing. Right now, we're projecting 224 less students for the fall (which is a \$5.4m loss of income) and about a \$2m reduction in housing revenue. We balanced the budget this year through the use of one-time funds equaling roughly \$3.1m.

The gap between the revised third quarter (which ended March 30) and the annual budget (which will begin in the Fall), as well as repeated speculation about a number of hypothetical situations (a possible claw back of state funds, having to close campus again, even more students just deciding to take a year off), caused some conversational confusion. Points that were clearly stated:

- institutional CARES funds, which are one-time funds, have been drawn down (the full institutional portion of CARES, as we all know, is \$3m)
- the one-time funds used to balance the 2020-2021 budget total \$3.1m

- some of the drawn-down CARES money has been used to refund students for housing and meal plans
- some of the drawn-down CARES money has been used for the purchase of PPE
- institutional fund balance is tapped in the 2020-2021 budget—exactly how much is slated to be taken, and how this reduction will affect the number of days of cash on hand, was not specified
- our financial statements will look somewhat wild for a bit as we continue to draw down grant money and transfer funds in our own system, following the guidelines we must

I specifically asked about the projection of athletic revenue in the 2020-2021 budget, inquiring why we hadn't reduced those figures (as we had enrollment and housing), given the impact of covid-19. (our main source of revenue, the NCAA, may not have any money to give back if the football season is upset on the heels of the cancelation of March madness). The President informed the Board that our athletic organizations (the Pioneer League and OVC) were in the process of making decisions.

I also inquired about the possibility of using institutional CARES funds to cover the expense of student online fees this term. Ms. Fister-Tucker informed me that CARES funds may not be used to defray lost income. I followed up by noting that housing and meal plan reimbursements were lost revenue, and we had drawn down CARES funds to cover those. Ms. Fister-Tucker informed me that the money could be used in that instance because we were paying students back. As I stated in the meeting, this means that we could signal our "Commitment to the Commonwealth," and aid in the retention of students who would otherwise have to pay online fees that were originally scheduled to be taught F2F (and would be, were it not for the pandemic), by reimbursing them the online fees we are charging.

The Board accepted the third quarter financial statement (which was accompanied by an amended budget) and approved the 2020-2021 University Operating Budget.

Facilities and Operating Update

Kim Oatman, the VP of Facilities, presented an updated Master Plan, which he, at the President's request, updated for the institution himself. This internal work, which made some logical adjustments based on economic realities, saved the institution external contracting costs.

The President then gave a report on the Foundation agreement and laid out the University Operating Update, to the extent that such an Operation exists. In the process of outlining the levels that have been conveyed to us in the lengthy emails we receive on a regular basis, Dr. Morgan laid out one of the specifics that Facilities has been working on (how to navigate the flow of ordering take out in ADUC during peak times while keeping social distancing) as well as some of the general points we have been told (there is a nurse taking temperatures, we are logging information for contact tracing).

The update did include a topic that has been of great interest to faculty—a mask requirement on campus. As of now, the consensus seems to be moving toward the use of masks in classrooms, but the President repeatedly noted that legal issues were still being sorted: there is no mechanism for policing mask or social distancing rules, and there are a number of complications (courses in

Chemistry and lessons for an instrument such as trombone will require different rules, and there are possible health, liberty, and religious issues to sort out regarding mask use). Final guidelines or suggestions will be available at some point in the future, but not before they truly are final. The President stated that he didn't want "gut reactions" to things, which is why issues will be vetted, because there is "nothing worse" than having to change or correct a message already given.

Of special interest to those faculty concerned with mask use: only one Board of Regent member wore a mask to and throughout the meeting. A few members tried on masks they were given, but I was the only Board member who felt the need to wear a face covering. The General Council, CFO, and VP of Facilities did occasionally wear masks, although not when presenting. VP Mast, who was in attendance but did not present, and Leann Ackers (our NPR presence) wore masks throughout. Regent Martin, the current Vice Chair, expressed his opinion that Morehead and Murray were well situated because they were in locations that did not have the disease. I offered my own firmly held belief that the virus did not care about borders and the mountains would not save us (as spikes in rural KY are showing). Regent Howard (who had been elected vice chair earlier in the meeting) expressed his daughter's concern, which he told her he would raise, that students were not receiving clear information about what would happen in the fall, or any guarantees that they would be safe, should their dorm mates have different opinions on appropriate social distancing. (Note: this expressed concern had actually been offered well in advance of President Morgan's report. It is offered here merely to bring all of the relevant comments and observations regarding masks and social distancing guidelines together.)

Evals and End

Chair Walker provided an overview of the Board's evaluation of the President, which offered high commendation and included numerous statements praising the President's positive leadership. There was a motion to ask the Chair to extend the President's contract, and this motion carried.

Chair Walker also presented the Board's evaluation of itself. This evaluation was also positive, but there were minor concerns about attendance and some issues with preparation for meetings.

The Board approved its 2020-2021 meeting dates (all scheduled to be in person) before adjourning to closed session to hear updates on matters regarding litigation. No actions were taken during the closed session, and the Board adjourned its open meeting right after coming out of closed session.