

The Board of Regents held its quarterly meeting at MSU at Mt. Sterling on March 25, 2021.

Audit meeting and consent agenda:

The Audit committee met at 9:00 a.m. to approve the reappointment of our auditors (Dean Dorton) and the minimum scope of our annual audit. These approvals were confirmed as part of the consent agenda at the meeting of the full Board. (Note: the Board also received, in advance of the meeting, the audited financial statements of WMKY/MSPR and our NCAA program.)

Of special note to faculty: the consent agenda also included the approval of tenure candidates, the policy modification that allows for tenure delay (the resolution Senate approved 2/4/21), and sabbaticals for 4 faculty persons.

Reports

- *Spring enrollment:* undergraduate numbers are down from last year but there's been a "tick up" in graduate, and we have a few more first-time transfers and more Craft Academy students.
- *Prior year metrics:* Courtney Andrews provided data on SOAR performance indicators. (Note: SOAR is closely aligned with the performance funding model, so this was largely a report on performance funding metrics.)
- *QEP update:* AP Couch gave a report on the QEP; there are 42 classes scheduled for the Fall of 2021. Dr. Couch also noted that 3 programs were so sold on the QEP that they were integrating all aspects of the QEP into their curriculum. These programs were Nursing, Social Work, and Education (note: I do not know how Education, as a whole, falls into one program).
- *Personal service contracts:* Mr. Oatman reported on our personal service contracts. Regent Dennis asked a question about the \$100k Baird & Co. Lease structure contract; I asked a question about the \$30k external evaluator we hire for the Noyce scholarship grant.

Overview of Stimulus Grant Funds:

Mary Fister-Tucker gave an overview of the stimulus funds received and drawn down to date (funds from the CARES Act, passed March 27, 2020 and CRRSAA, passed December 27, 2020).

	CARES	CRRSAA
Higher Education Emergency Relief Fund (HEEIRF)		
Student portion	\$ 3,008,220	\$ 3,008,220
Institutional portion	3,008,220	8,111,458
Strengthening Institutions Program	298,311	476,791
Governor's Emergency Education Relief Fund (GEER)	762,300	
Coronavirus Relief Fund (CRF)	1,771,800	
Total	\$ 8,848,851	\$ 11,587,469

Ms. Fister-Tucker also outlined the "unique guidelines" of the stimulus funds. Slides with specified categories were complemented by a discussion of the difficulty of the accounting practices required. Ms. Fister-Tucker noted that there were more "strings" for CARES and that guidelines were somewhat relaxed for CRRSAA. Ms. Fister-Tucker and Dr. Morgan took pride in the fact that they requested, and were granted, the ability to address expensed incurred before December 27th with the CRRSAA funds. Every effort was made to use stimulus funds to pay the institution back the income refunded to students and lost in tuition or auxiliary revenue.

Regent Hinton asked how stimulus funds were distributed to students. Ms. Fister-Tucker noted that regulations required the institution to apportion funds via needs and the institution used Pell grant eligibility to make determinations. Regent Hinton then inquired if there were "strings" attached to the student funds that restricted the students' spending. Ms. Fister-Tucker laughed, stated we all should have owned stocks in "flat screen TVs," and then said no. The intent was for students to use the funds for the expenses that were most pressing at the moment.

I asked what funds we would be receiving in the future from the American Rescue Plan Act of 2021, which President Biden signed into law on March 11, 2021. Dr. Morgan stated that the stimulus funds listed were the ones that the institution had both received had drawn down. I thanked him for the overview of what we had already received, but I again asked what funds we were slated to receive from the American Rescue Plan Act, as there had already been articles in *The Chronicle of Higher Education* and *Inside Higher Education* discussing figures for other institutions and the implications of the fact that there were not yet guidelines for usage published by the Department of Education. Dr. Morgan stated that we were scheduled to receive roughly \$18 million, with \$9 million slated for students and \$9 million slated for the institution.

Actions:

The BOR approved the second quarter financial report with amended operating budget, the faculty and staff compensation plans, and the 2022-2028 Six-year Capital Plan. (Note: the Capital plan included a "technology plan" that was listed as completed in 2013. I asked how this was part of our current plan and I was told the "technology plan" was completed in 2013 but we were still using it. The last 2 of the top 10 capital projects listed were technology based, but Mr. Oatman's general description of them sounded more like what the institution was already doing to use stimulus funds to pay for remote work and instructional costs.)

Dr. Morgan asked to remove the compression "piece" from the faculty compensation plan, noting that a proposal would be brought to the board when it was finalized. A subsequent slide listed a new figure for the compression pool (\$200k--the old figure was \$100k).

I am barred by statute from voting on faculty pay, so I did not. Before the vote on the staff compensation plan, I asked to have this statement entered into the minutes:

I would like to thank the President for addressing compensation. I also fully support an increase in staff pay, and I would have advocated this pay was increased at the same rate as faculty.

My objection is solely with the third part of the plan, which does not follow current policy.

PG 44 specifies pay ranges are based on market data and job duties. If we are increasing base pay based on duties not in job descriptions, then we are not following PG 44.

UAR 324.06 offers a way to remunerate duties not part of the regular job description: supplemental pay.

Both plans were approved by the BOR.

President's Report:

Legislative update

- HB 8 created blanket liability for KERS costs to quasis (note: universities are classified as quasi-governmental entities). The state is likely to pay:
 - 100% KERS increase in FY-21-22
 - 90% in 22-23 (cost to MSU roughly \$475k)
 - 80% in 23-24 (cost to MSU roughly \$950k)
 - will eventually max out at 50%, with a cost of a little over \$2 million
- Craft expansion (state budget dependent)--may get \$329,000
- SB 135 Performance Funding--creates a "floor" for losses, so that \$2.3 to \$3 million we were set to lose next year will no longer come to pass--we may not "gain" much in a few years, but no more automatic losses

OVC

- Jacksonville and ECU leaving for ASUN
- OVC will be reduced to 10 teams (down from 12)
- Conference is considering inviting other schools and affiliate sports

I asked if MSU were considering adjustments to our athletic program. Football (as confirmed by the accepted NCAA audit) is a pricey sport, which costs lots in travel, and we are outliers in the OVC in this regard, being in Pioneer League football, not NCAA DI, so we could swap in a more cost-efficient sport.

In response to this, and my statement about shake-ups in the NCAA's business model, I was told that no decisions were being made, institutions were actually avoiding making any drastic decisions due to the indeterminacy and flux (with covid-19 and whatnot).

Current year fiscal

Tuition is trending well, we can use stimulus funds to address health care increases, and the debt financing approved by the BOR has been finalized. SunnyBrook is sold and we're using the proceeds to pay off debt. All in all, "everything is on an uptick" and we are "in relatively good shape." Dr. Morgan repeatedly noted that we had fared better than other institutions.