

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY**
Riggle Room, Adron Doran University Center
9 a.m., Thursday, March 13, 2014

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **AD HOC NOMINATING COMMITTEE REPORT -- ELECT OFFICERS:
CHAIR, VICE CHAIR, AND SECRETARY; APPOINT TREASURER**
- IV. **SPOTLIGHT ON ACADEMIC AFFAIRS – Dr. Gerald DeMoss, Acting Provost**
- V. **PRESIDENT’S RECOMMENDATIONS AND REPORTS**
 - A. **Consent Agenda (Action)**
 - 1. Approve Minutes of December 5, 2013, Meeting..... 1-7
 - 2. Approve Personnel Actions.....8-12
 - 3. Approve Contracts for Banking Services..... 13
 - B. **Recommendations (Action)**
 - 1. Approve Tenure with Promotion 14
 - 2. Approve Sabbatical Leaves 15
 - 3. Approve Master of Science in Space Systems Engineering 16-17
 - 4. Approve Campus Master Plan.....18-20
 - 5. Accept Second Quarter Financial Report and Amend
Operating Budget.....21-30
 - 6. Approve Disposal of Real Property31-33
 - 7. Adopt Reimbursement Resolution34-36
 - C. **Reports**
 - 1. Preliminary Spring Enrollment Report 37
 - 2. Report on Personal Service Contracts.....38-39
 - D. **President’s Report**
- VI. **OTHER BUSINESS**
 - A. **Future Meetings**
 - 1. Audit Committee, Thursday, May 8, 2014, 8 a.m.
 - 2. Work Session, Thursday, May 8, 2014, 9 a.m.
 - 3. Spring Commencement Programs, May 10, 2014, 10 a.m. and 2 p.m.
 - 4. Quarterly Meeting, Thursday, June 5, 2014, 9 a.m.
 - B. **Executive Session**
- VII. **ADJOURNMENT**

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY
December 5, 2013**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, December 5, 2013, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair John C. Merchant presided.

CALL TO ORDER

Chair Merchant called the meeting to order.

ROLL CALL

The following Board members were present: Paul Goodpaster, Andrew Abbott, Julie Butcher, Cheryl Lewis, Debbie Long, Wayne Martin, John Merchant, Ronald Morrison, Patrick Price, Kevin Pugh, and Todd Thacker.

Jason Blanton, Director of Media Relations, introduced Sam Steiert, news reporter for Morehead State Public Radio, who was present for the meeting.

CONSENT AGENDA

Chair Merchant opened the floor for approval of the Consent Agenda and asked if there were items that the Board would like to discuss prior to taking action.

MOTION: Mr. Martin moved that the Board approve the items in the Consent Agenda that include the following:

1. Approve Minutes of September 26, 2013
2. Approve Honorary Doctor's Degrees for James H. and Linda D. Booth
3. Approve 2013 Fall Graduates
4. Ratify Personnel Actions
5. Accept 2012-13 Audit Report and Amend Operating Budget

Ms. Lewis seconded the motion.

VOTE: The motion carried.

**PRESIDENT'S
RECOMMENDATIONS**

*Appointment of Dean of
College of Education*

The President recommended:

RECOMMENDATION: That the Board of Regents approve the appointment of Dr. Margo DelliCarpini as Dean of the College of Education at an annual salary of \$141,000 beginning January 2, 2014. Also, it is recommended that Dr. Margo DelliCarpini be granted tenure and the rank of Professor of Education with this appointment.

MOTION: Dr. Morrison moved that the Board approve the President's recommendation. Mr. Goodpaster seconded the motion.

VOTE: The motion carried.

Financial Statements

The President recommended:

RECOMMENDATION: That the Board accept the financial statements and amend the operating budget for the first quarter of the fiscal year that will end June 30, 2014, and amend the operating budget.

(Financial Report and additional background information attached to these minutes and marked III-B-2)

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 first quarter financial statements.

Ms. Owen reported that MSU's financial picture remained stable through the first quarter of the 2013-14 fiscal year. She said that total revenues increased by \$719,000 over last year to \$61.4 million with the majority of this increase being due to an increase in housing revenue. Housing revenue increased \$700,000 due to a 4 percent increase in housing rates and an increase in housing occupancy. Ms. Owen also discussed the statements of revenues, expenditures & changes in net position.

Ms. Lindgren discussed budget amendments and some of the significant adjustments to revenue and other additions. These included unbudgeted support from the MSU Foundation totaling \$174,856, endowment income allocations to Academic Affairs totaling \$15,422, and other miscellaneous revenue totaling \$81,311 allocated primarily to Academic Affairs. Budget allocations from fund balance for educational and general purposes totaled \$659,218.

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

VOTE: The motion carried.

The President recommended:

**2014-16 Executive Branch
Budget Request**

RECOMMENDATION: That the Board ratify the University's 2014-2016 Executive Branch Budget Request.

(2014-2016 Operating Request for MSU and other background information attached to these minutes and marked III-B-3)

Ms. Lindgren discussed the University's 2014-2016 Executive Branch Budget Request that was submitted to the Governor's Office for Policy and Management, the Legislative Research Commission, and the Council on Postsecondary Education (CPE). The

submission was based on the recommendation regarding the state appropriation and capital project request approved by the CPE on November 7, 2013.

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

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board adopt a Reimbursement Resolution with respect to reimbursement of temporary advances made for capital expenditures to be made from subsequent borrowings and taking other actions in connection therewith.

(Reimbursement Resolution and other background information attached to these minutes and marked III-B-4)

Ms. Patrick indicated that the University had requested agency bond authorization in its 2014-2016 Biennial Budget Request in the amount of \$28 million for the construction of a student residential facility on the main campus and \$2,735,000 for construction of a student residence hall facility at the Derrickson Agricultural Complex. In order to secure and pay for the services of the design teams prior to the bond sale, it will be necessary for the University to advance funds for that purpose. In addition, to be in compliance with the Internal Revenue Code relating to the issuance of tax exempt bonds, the Board must declare its intent to seek reimbursement of funds advanced for the project through the adoption of a reimbursement resolution.

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

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve a scope of \$898,000 for the project to construct the student intramural soccer field.

(Additional Background information attached to these minutes and marked III-B-5)

Ms. Patrick said that the University initiated a project in the spring of 2013 to construct a student intramural soccer field from revenue that had been collected through the existing student recreation fee. The initial project scope was not expected to exceed the state's capital project threshold of \$600,000. Therefore, authorization for the project was not included in the University's Biennial Capital Budget Request. During the early

***Reimbursement
Resolution***

***Scope of Project for
Student Intramural Soccer
Field***

construction phase, however, drainage and soil conditions supported a decision to install artificial turf on the field instead of natural turf to increase the sustainability of the surface and maximize availability for student recreation and soccer team practice. Funding to support the scope increase was acquired from the MSU Foundation. The estimated cost for adding the artificial turf increased the project scope to \$850,000, which required the University to seek interim capital project authorization from the state. The necessary authorization was secured pending authorization from the Board of Regents for the revised project scope.

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

VOTE: The motion carried.

REPORTS

Fall 2013 Enrollment

Jeffrey Liles, Assistant Vice President for Enrollment Services, presented the final 2013 Fall Enrollment Report. He reported that final enrollment is 11,358, a 1.7 percent increase over the previous 2012 fall semester. Also, first-time freshmen increased by 2.2 percent, and the average ACT increased to 22.3.

Health Insurance & Benefits for Plan Year 2014

Phil Gniot, Director of Human Resources, reported on health insurance and benefits for plan year 2014. He said that the overall objective of MSU's plan is to provide the best possible health insurance and benefits at the best possible cost. The University will remain fully insured for 2014 in partnership with MSU's health insurance provider Anthem Blue Cross Blue Shield of Kentucky.

Mr. Gniot said that the University's strategy for 2014 continues to include covered employee spouse participation in the wellness incentives. Both employee and a covered spouse can participate in two passive wellness incentives and a "well point" program that can further reduce employee premiums up to \$500 annually.

Mr. Thacker suggested that the administration consider establishing certain time periods when employees' spouses could use the Recreation and Wellness Center free of charge.

RECESS

Chair Merchant declared a 15-minute break.

The meeting resumed at 10:45 a.m.

PRESIDENT'S REPORT

Dr. Andrews reported on the following:

- ROTC to Remain Open

Morehead State's ROTC program will remain open pending a final decision after a two-year "probationary" period. The Army agreed to reassess its closure methodology and to review MSU's officer production rates over the next two years. While not yet announced, Dr. Andrews said that the Army may require a minimum production rate of 15 officers annually for MSU ROTC to remain open. The University plans to meet or exceed 15 commissions per year during this period, as well as explore additional options to improve recruitment and retention for this important program.

The University has a proud history of supporting the military and holds national service in high esteem. That is why, in this era of diminishing resources and increased accountability, the University is especially excited that the Secretary of the Army chose to keep MSU's ROTC program open.

Chair Merchant asked that a letter be sent on behalf of the Board to thank MSU's congressional delegation for their efforts given the magnitude of the situation.

- MSU Named a Military-Friendly School

MSU has been recognized for the fifth consecutive year as a "Military-Friendly School" by Victory Media, which is the premier media entity for military personnel transitioning into civilian life. This places the University once again in the top 20 percent of colleges, universities and trade schools nationwide that are doing the most to embrace America's veterans as students.

In addition, MSU has been selected to the Military Times Best for Vets: Colleges 2014 rankings.

- MSU Top Ranked College for the 10th Straight Year

For the 10th straight year, MSU has been recognized as one of the top public universities in the South in the 2014 edition of "America's Best Colleges" by *U.S. News & World Report*.

- Space Science Team Launches Satellites

MSU's Space Science staff and students and their partners have launched satellites from two different continents. UniSat-t developed with the University of Rome and a commercial spin-off called the Group of Astrodynamics for the Use of Space Systems (GAUSS, Inc.) was launched from Yasnny, Russia, together with a number

of CubeSats and PocketCubes, one of which, T-LogoCube, was developed by MSU in collaboration with Sonoma State University. KySat-2 developed with Kentucky Space LLC., and the University of Kentucky was launched from NASA's mid-Atlantic launch range in Wallops Island, Virginia.

- Academic Affairs Updates

- Dr. Michael Hail, assistant dean of the School of Public Affairs and Business, has been appointed by President Obama to serve on the Board of Trustees of the Harry S. Truman Scholarship Foundation. The mission of the Truman Scholarship Foundation is to find and recognize college juniors with exceptional leadership potential who are committed to careers in government, the nonprofit or advocacy sectors, education or elsewhere in the public service; and to provide them with financial support for graduate study, leadership training, and fellowship with other students who are committed to making a difference through public service.
- Dr. Karen Pierce, assistant professor of accounting in the College of Business and Public Affairs, is president-elect of the Kentucky Business Society.
- Dr. Beverly McCormick, professor of real estate in the College of Business and Public Affairs, is president-elect of the Real Estate Education Association and served as chair of the Presidents' Council of that organization in 2013.
- The Radiography program has had a 100 percent passage rate five consecutive years, the first time in its history.
- The Nursing faculty went on two separate missions to Haiti in 2013 and participated in the Remote Area Medical (RAM) event.
- The 21st Century Education Enterprise has begun a three-year partnership with the Kentucky Department of Education's Division of Student Success to create online digital transitional courses in English, reading, and math for 12th grade students who have not met CPE benchmarks in these academic areas. The program will be launched in spring 2014.

- Athletic Competition

- The Soccer Team won the OVC Championship and played in the first round of the NCAA Tournament at Wake Forest.

- The Women’s Volleyball Team will participate in the NCAA tournament on Friday, December 6, in Champaign, Illinois.
- The Men’s Basketball Team is off to a good start and is expected to do well in season play.

Chair Merchant opened the floor for a motion to go into closed session to discuss pending litigation. The Board will take no action while in Executive Session. Ms. Butcher moved that the Board go into Executive Session. Mr. Price seconded the motion. The motion carried.

Following approximately 20 minutes in closed session, Ms. Lewis moved that the Board return to open session. Mr. Price seconded the motion. The motion carried.

Chair Merchant stated that no action was taken in Executive Session.

Chair Merchant reminded the Board that 2013 Fall Commencement is scheduled Saturday, December 14, at 10:30 a.m. He also announced the Board meeting dates for 2014:

Work Session	February 27
Quarterly Meeting	March 13
Work Session	May 8
Quarterly Meeting	June 5
Work Session	August 21
Quarterly Meeting	September 25
Work Session	November 6
Quarterly Meeting	December 4

Dr. Andrews said that the work session scheduled on February 27 would likely be a Board retreat that would be held in Lexington. More details will follow.

ADJOURNMENT

There being no further business to conduct, Mr. Price moved that the meeting adjourn at 11:45 a.m. Ms. Lewis seconded the motion. The motion carried.

Respectfully submitted,

Carol Johnson, Secretary
Board of Regents

APPROVE CONTRACTS FOR BANKING SERVICES

**BOR (V-A-3)
March 13, 2014**

Recommendation:

That the Board exercise the option to renew the banking services contracts for the period July 1, 2014 to June 30, 2015 with US Bank of Morehead for the main campus banking, and with Citizens National Bank in Ashland, Citizens National Bank in Prestonsburg, Traditional Bank in Mt. Sterling, and Commercial Bank in West Liberty to continue 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 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. The contracts are with Citizens National Bank for Ashland and Prestonsburg, Traditional Bank for Mt. Sterling, and Commercial Bank in West Liberty.

All contracts will be effective from July 1, 2014 to June 30, 2015.

TENURE WITH PROMOTION, 2014

**BOR (V-B-1)
March 13, 2014**

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 2014-2015 year:

Dr. Jody Fernandez, assistant professor of education (MGSE)
Dr. Sarah Hawkins-Lear, assistant professor of education (ECES)
Dr. Lee Nabb, assistant professor of adult and higher education (FGSE)
Dr. Kelly Collinsworth, assistant professor of legal studies
Ms. Natasha Davis, assistant professor of dance
Dr. Itza Zavala-Garrett, assistant professor of Spanish
Dr. Sanjeev Adhikari, assistant professor of applied engineering and technology
Dr. David Butz, assistant professor of psychology
Dr. R. Duane Skaggs, assistant professor of mathematics

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 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. Thomas Pannuti, associate professor of astrophysics and space science –
2014-2015 academic year
- Dr. Kristina DuRocher, associate professor of history, Spring 2015 semester
- Dr. Chien-Chih Peng, associate professor of finance, Spring 2015 semester

Background:

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

Recommendation:

That the Board of Regents approve the proposal by the MSU Department of Earth and Space Sciences for the Master of Science in Space Systems Engineering (MSSE) degree.

Background:

In 2012 faculty and staff of the Space Science Center (SSC) proposed the MSSE. The MSSE will be unique in the state and in the region. The most similar degree programs are MS Programs in Astronautical Engineering, which are focused on spacecraft engineering. The MSSE includes spacecraft engineering *and* satellite mission operations, a slightly different approach. Aerospace engineering programs are related, but are broader in scope in that they focus on aircraft design as well as spacecraft design. Currently, there are no aerospace or astronautical engineering programs in Kentucky. There are only four MS degree programs in astronautical engineering and 52 MS programs in aerospace engineering in the U.S. Of the four MS programs in astronautical engineering, two are at military installations and two are on the west coast and east coast, respectively. The MSSE will be the only nonmilitary-based space engineering master's program in the central U.S.

Purpose:

A significant need exists in the workforce for the type of engineer that this program will produce. Fifteen percent of the US GDP is now related to aerospace, and the aerospace industry supports more than 15 million high quality American jobs. The aerospace industry has experienced eight consecutive years of growth. As of 2013, aerospace is the number one manufactured export in Kentucky. The job market for all areas of the space sector, including aerospace engineers, electrical and mechanical engineers, technicians, earth station operators, and micro-nanotechnology engineers, is robust—all epitomizing 21st century jobs. The MSSE has the potential to increase our applied research and technology to create new knowledge and ultimately regional economic growth. Scientists and engineers play a vital role in building the 21st century enterprises that will create solutions and jobs critical to solving the large, complex, and interdisciplinary problems faced by society. Many of these complex societal problems are solved by the utilization of space assets. From financial and data transfer to national defense and homeland security to the search and management of natural resources, space plays a vital role. Applied research conducted by graduates will no doubt lead to commercializable technologies and that, combined with their contributions to existing companies in Kentucky in the emerging aerospace industry and related industries (electrical engineering, telecommunications, electronics, and computer-aided design), will ultimately lead to increased economic growth.

The courses will be taught by experienced faculty with experience in the aerospace industry. The curriculum is intensely hands-on, focusing on design, fabrication and testing processes involved in satellite technologies. The world-class facilities of the SSC will support implementation of embedded laboratories and research toward a master's thesis that every student will be required to complete.

This proposal has been approved by the EASS Department Curriculum Committee, the EASS Department Chair, the College of Science and Technology (CST) Graduate Curriculum Committee, the CST Dean, the University Graduate Curriculum Committee, the Provost, and the MSU President. It has successfully undergone the requisite 45 day review period and the pre-proposal was approved by the CPE.

Recommendation:

That the Board of Regents approve the proposed Campus Master Plan.

Background:

The Kentucky General Assembly and the Council on Postsecondary Education require an approved Campus Master Plan for use in the Commonwealth's capital planning process. The Campus Master Plan is used as the basis for the formulation of the institution's Six-Year Capital Plan and Biennial Capital Budget Request, serving as the short and intermediate planning document for the campus's decision making related to real property acquisitions and campus development.

Since 1990, the University has relied on a Board approved Campus Master Plan to guide decisions related to the short and long range development of the campus. The development of a comprehensive, long-range Campus Master Plan was first authorized by the Board of Regents in 1988 to address land use planning and facility needs of the University. The Board of Regents approved the initial Campus Master Plan in 1990 following significant involvement by the University and community. The Plan was updated and amended by the Board of Regents in 1997.

Between 1997 and 2002, the Board amended the Plan on two occasions to incorporate property into the Plan to meet the long-range needs of the University. In 2002, the University undertook a more comprehensive update, resulting in development of Master Plan Goals and Design Objectives, and alignment of the plan with the University's Strategic Plan 2001-2006, the enrollment and retention goals set by the CPE to support the Vision 2020 Action Agenda for the Commonwealth, and the CPE's Space Planning Guidelines. The Board of Regents approved the update and amendment of the Campus Master Plan in June 2002.

Since 2002, the Board has amended the Campus Master Plan on two occasions to incorporate property into the Plan to meet the long-range needs of the University (CHER building and Support Services warehouse). However, no other comprehensive updates to the Plan have been undertaken from 2002 to the present time.

In 2013, University administration decided that significant time had passed since the last Campus Master Plan update and a comprehensive review was needed. A request for proposal was issued in January 2013. Element Design, a landscape architecture, engineering, and planning firm based in Lexington, Kentucky, was selected as the consulting firm to assist the University in developing an updated Campus Master Plan.

The project progressed through three phases: Assessment, Collaboration, and Recommendations. To kick off the Assessment phase, Element Design visited campus in June 2013 to interview academic and administrative senior leadership, and visited again later in the month to conduct two days of workshops with a broader group of stakeholders from academic, facilities, and

student activities to get their perspectives on existing campus conditions. Additional workshops were held in July, again with groups representing academic, facilities and student activities. Sessions with representatives from the greater Morehead and Rowan County community were also held during the Assessment phase.

The Collaboration phase began with three days of working sessions in September 2013 with committees representing each of the University's divisions. An open student form was also held in September. Students were invited by mass email and social media to participate and provide input on concept sketches. Also during the Collaboration phase, faculty and staff were invited via mass email and web announcement to participate in either of two open forums in October.

Following this, the project moved into the Recommendation phase, where Element Design began to prepare and share their recommendations with the project's steering committee. The firm worked with the committee to refine and finalize the Recommendations. The final document is expected to be complete within the next month.

Throughout the project, the University has maintained and continuously updated an internal web site for the project, including presentations from the consulting firm and meeting notes. This web site can be accessed by all faculty and staff of the University.

SUMMARY OF SIGNIFICANT PLAN ADJUSTMENTS/HIGH PRIORITY PROJECTS

The campus was reviewed in five sections including a residential precinct, performing arts/entry precinct, athletics precinct, central lawn precinct and a west campus precinct. Significant study was given to both pedestrian and vehicular traffic flow, parking, signage and way finding. The plan incorporates the work completed from the 2006 Comprehensive Housing Master Plan completed by Brailsford & Dunlavey that included work to modernize the entire housing system through renovations, demolitions and construction of new facilities. Also incorporated into the new Campus Master Plan was work initiated for the Athletics Facilities through a master plan completed in 2010 by Heery International, Inc.

Projects identified in the plan were categorized in the plan for implementation by priority level (low, medium, high and highest). The following projects are identified with a high and highest priority.

Central Campus

- Create green space and paths for pedestrian/bike traffic through the closure of Battson-Oates Drive between ADUC and Lappin Hall and University Boulevard starting at Elizabeth Avenue and traveling through central campus
- Replace campus main electrical switchgear
- Phase II renovation and addition to the Adron Doran University Center (pending state funding)
- Acquire strategic properties and expand parking along Second Street
- Soften Bell Tower courtyard and begin formation of great lawn space

Residential Campus

- Construct new 600 bed residence hall on main campus and 50 beds hall at the University farm
- Raze Waterfield Hall and construct student parking garage with dining commons area

Performing Arts/Main Entrance

- Demolish Brass Eagle Apartment property and convert to parking until Alumni/Welcome Center construction begins
- Construct Main Campus gateway with landscaping

Athletic Complex

- Relocate high voltage electric service lines from steam tunnel to underground
- Renovate McClure Pool area for Volleyball venue
- Construct new tennis courts on former Downing Hall location
- Expand baseball field and construct new stadium facility
- Construct softball field on former site of tennis courts

West Campus

- Fourth Street Campus Access Improvements

IMPLEMENTATION

The Campus Master Plan is considered to be a blueprint to guide the University in future property acquisitions and capital project planning and prioritization. Approval of this plan by the Board does not approve any specific project, fund source or timeline but only the conceptual blueprint to guide future recommendations for capital planning and development. Individual capital projects included in the plan will be brought to the Board for approval according to bylaws and with appropriate state authorization as required by statute.

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

**BOR (V-B-5)
March 13, 2014**

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, 2014, and amend the operating budget.

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, 2013, the second quarter of the fiscal year ending June 30, 2014. 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, 2013

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, 2013. 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, liabilities 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 2013-2014 fiscal year. During the period July 1, 2013 through December 31, 2013 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$36,616,281. This level of operating surplus is expected at this time, since most of the billings for the Spring 2014 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2013 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 \$1.2 million over last year to \$109 million. The majority of this increase was due to an increase in tuition and housing revenue. Tuition revenue increased \$832 thousand due to a 2.9% increase in the undergraduate resident full time rate and an increase in undergraduate student enrollment. Housing revenue increased \$782 thousand due to a 4% increase in housing rates and an increase in housing occupancy.
- ▶ The percent of actual total revenue to budget was 74.33% at December 31, 2013 and 78.61% at December 31, 2012. This percentage would be expected at this time, since most of the billings for the Spring 2014 semester are reflected in revenue.
- ▶ Total expenses were approximately \$72.5 million at December 31, 2013 and \$66.6 million at December 31, 2012. The \$5.9 million increase in actual expenses is related to budgeted increases in fixed costs such as utilities, scholarship commitments, debt service, employee retirement benefits, and the implementation of a new employee compensation model. Construction and renovation costs have also contributed to the increase in expenses.
- ▶ Net change in net position decreased \$4.5 million to \$36.6 million as compared to \$41.1 million at December 31, 2012. This is primarily related to the increase in total expenses.

Morehead State University
Unrestricted Current Funds
Statements of Revenues, Expenditures & Changes in Net Position
For the Six Months Ended December 31, 2013 and 2012

	2013-2014			2012-2013		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
Revenues						
Educational and General						
Tuition and Fees	\$71,922,958	\$65,613,305	91.23%	\$67,382,952	\$64,781,140	96.14%
Govt Appropriations	41,560,200	23,137,687	55.67%	41,564,500	23,170,803	55.75%
Indirect Cost Reimbursement	585,000	467,433	79.90%	595,000	416,676	70.03%
Sales & Services Ed Activities	1,694,852	1,152,085	67.98%	1,725,307	1,458,366	84.53%
Other Sources	2,531,301	2,337,804	92.36%	2,852,519	2,673,055	93.71%
Budgeted Fund Balance-E&G	9,199,700	-	0.00%	6,680,971	-	0.00%
Total Educational and General	\$127,494,011	\$92,708,314	72.72%	\$120,801,249	\$92,500,040	76.57%
Auxiliary Enterprises						
Housing	\$11,391,300	\$12,250,735	107.54%	\$9,828,400	\$11,467,898	116.68%
University Store	4,871,593	2,845,622	58.41%	4,103,675	2,661,074	64.85%
Food Services	814,500	443,925	54.50%	815,500	426,469	52.30%
Other	1,309,288	834,400	63.73%	1,042,875	738,455	46.68%
Budgeted Fund Balance - Auxiliary	876,168	-	0.00%	539,218	-	0.00%
Total Auxiliary Enterprises	\$19,262,849	\$16,374,682	85.01%	\$16,329,668	\$15,293,896	93.66%
Total Revenues	\$146,756,860	\$109,082,996	74.33%	\$137,130,917	\$107,793,936	78.61%

Morehead State University
Unrestricted Current Funds
Statements of Revenues, Expenditures & Changes in Net Position
For the Six Months Ended December 31, 2013 and 2012

	2013-2014			2012-2013		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
Expenditures and Transfers by Division						
Educational & General						
President & Administration	\$996,057	\$471,065	47.29%	\$862,516	\$407,469	47.24%
University Advancement	5,012,380	2,500,271	49.88%	4,539,008	2,405,728	53.00%
Administration & Fiscal Services	20,711,422	11,566,302	55.85%	18,987,420	9,864,351	51.95%
Student Life	13,061,202	6,994,654	53.55%	12,523,485	6,582,679	52.56%
Academic Affairs	79,912,510	37,358,426	46.75%	74,524,288	34,943,111	46.89%
Other	9,384,973	4,880,786	52.01%	9,377,594	4,814,194	51.34%
Total Educational & General	\$129,078,544	\$63,771,504	49.41%	\$120,814,311	\$59,017,532	48.85%
Auxiliary Enterprises						
Housing	\$11,288,228	\$4,814,311	42.65%	\$10,481,329	\$3,986,049	38.03%
University Store	4,369,203	2,954,258	67.62%	3,884,772	2,726,209	70.18%
Food Services	521,334	216,357	41.50%	555,308	249,294	44.89%
Other	1,499,551	710,285	47.37%	1,395,197	655,472	46.98%
Total Auxiliary Enterprises	\$17,678,316	\$8,695,211	49.19%	\$16,316,606	\$7,617,024	46.68%
Total Expenditures and Transfers by Division	\$146,756,860	\$72,466,715	49.38%	\$137,130,917	\$66,634,556	48.59%
Net Change in Net Position		\$36,616,281			\$41,159,380	

Morehead State University
Statements of Net Position
December 31, 2013 and 2012

Assets	2013	2012
Current assets:		
Cash and cash equivalents	\$35,469,187	\$36,597,080
Accounts, grants and loans receivable, net	49,955,008	46,637,407
Prepaid interest	102,192	124,649
Inventories	1,625,433	1,571,687
Total current assets	\$87,151,820	\$84,930,823
Noncurrent assets:		
Accounts, grants and loans receivable, net	\$3,685,577	\$3,687,108
Prepaid Interest	-	\$102,191
Investments	13,703,244	14,044,702
Capital assets, net	203,868,124	197,633,713
Total noncurrent assets	\$221,256,945	\$215,467,714
Total assets	\$308,408,765	\$300,398,537
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$8,758,551	\$8,988,693
Unearned revenue	2,004,494	2,324,443
Bonds, notes and capital lease obligations, current portion	4,826,040	4,066,315
Total current liabilities	\$15,589,085	\$15,379,451
Long-term liabilities:		
Bonds, notes and capital lease obligations, noncurrent portion	\$66,344,318	\$61,812,655
Advances from federal government for student loans	3,416,142	3,233,892
Unearned Revenue	290,235	290,235
Total long-term liabilities	\$70,050,695	\$65,336,782
Total Liabilities	\$85,639,780	\$80,716,233
Net position:		
Net investment in capital assets	\$132,799,955	\$131,981,583
Restricted:		
Expendable	12,259,444	12,651,599
Nonexpendable	12,843,376	12,734,269
Unrestricted	64,866,210	62,314,853
Total net position	\$222,768,985	\$219,682,304
Total liabilities and net position	\$308,408,765	\$300,398,537

See Attached Notes To Statements of Net Position

Morehead State University
Notes to the Statements of Net Position
December 31, 2013 and 2012

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 \$3,000,964 at December 31, 2013 and \$2,609,327 at December 31, 2012. Also, included in this category is \$6 million in receivables from federal and state grant agencies at December 31, 2013 and \$5.3 million at December 31, 2012. The increase in federal and state grant receivables is primarily attributable to Ford Loan funds that were due from the Department of Education of \$1.8 million at December 31, 2013 and \$1.3 million at December 31, 2012.
3. Noncurrent accounts, grants and loans receivable represent balances owed to the University from borrowers who have participated in the Federal Perkins Loan Program. The balance is presented net of allowance for uncollectible accounts in the amount of \$80,786 at December 31, 2013 and \$83,870 at December 31, 2012.
4. Prepaid interest represents interest paid to advance refund the University's Housing and Dining System Revenue Bonds.
5. Capital Assets, net increased approximately \$6.2 million from the previous year. This increase is primarily related to the capitalization of expenses incurred for residence hall renovations, soccer practice/intramural field, relocation of the athletics facility access road and the guaranteed energy savings project. Accumulated depreciation on buildings and equipment was \$155,588,352 at December 31, 2013 and \$148,210,603 at December 31, 2012.
6. 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.
7. Unearned revenue from federal and state grants represent amounts received but not expended at the Statements of Net Position date.
8. Bonds and notes payable include the current and long-term portions of amounts borrowed to finance the purchase of plant assets. The University issued 2013 Series A General Receipts Bonds in the amount of \$9.5 million on September 10, 2013 for residence hall renovations. The University made principal payments on outstanding debt in the amount of \$4 million.
9. The net investment in capital assets portion of the net position balance is the equity the University has in land, buildings, equipment, and library holdings.
10. Restricted net position includes the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period October 1, 2013 to December 31, 2013

Description	Opening Budget As of 10/1/2013	Adjustments	Amended Budget As of 12/31/2013
Revenues and Other Additions			
Tuition and Fees	\$ 71,919,260	\$ 3,698	\$ 71,922,958
Government Appropriations	41,560,200	-	41,560,200
Indirect Cost Reimbursement	585,000	-	585,000
Sales and Services of Ed. Activities	1,633,272	61,580	1,694,852
Other Sources	2,338,662	192,639	2,531,301
Budgeted Fund Balance - E&G	8,331,828	867,872	9,199,700
Auxiliary Enterprises	18,370,319	16,362	18,386,681
Budgeted Fund Balance - AUX	787,315	88,853	876,168
Total Revenues and Other Additions	<u>\$ 145,525,856</u>	<u>\$ 1,231,004</u>	<u>\$ 146,756,860</u>
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 977,557	\$ 18,500	\$ 996,057
University Advancement	4,996,453	15,927	5,012,380
Administration & Fiscal Services	20,267,850	443,572	20,711,422
Student Life	12,856,643	204,559	13,061,202
Academic Affairs	79,604,463	308,047	79,912,510
Debt Service & Mandatory Transfers	4,084,637	72,976	4,157,613
Other	5,229,227	(1,867)	5,227,360
Total Educational & General	<u>\$ 128,016,830</u>	<u>\$ 1,061,714</u>	<u>\$ 129,078,544</u>
Auxiliary Enterprises			
Administration & Fiscal Services	\$ 13,561,916	\$ 89,361	\$ 13,651,277
Student Life	911,814	79,929	991,743
Academic Affairs	13,296	-	13,296
Debt Service	2,959,510	-	2,959,510
Other	62,490	-	62,490
Total Auxiliary Enterprises	<u>\$ 17,509,026</u>	<u>\$ 169,290</u>	<u>\$ 17,678,316</u>
Total Expenditure Authorizations	<u>\$ 145,525,856</u>	<u>\$ 1,231,004</u>	<u>\$ 146,756,860</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period October 1, 2013 to December 31, 2013
Notes of Significant Adjustments to Revenue and Other Additions

Other Sources

Unbudgeted revenue allocated during the second quarter totaled \$192,639

- Unbudgeted support from the MSU Foundation totaled \$87,767
 - \$76,142 Academic Affairs
 - \$ 4,207 Student Life
 - \$ 7,418 University Advancement
- Endowment Income allocations totaled \$87,719
 - \$85,366 Academic Affairs
 - \$ 2,353 Student Life
- Other miscellaneous revenue totaling \$17,153 was allocated primarily to Academic Affairs

Fund Balance – E&G

Budget allocations from fund balance for educational and general purposes totaled \$867,872

- (\$ 75,000) Reimbursement from NASA ESCOR grant for advance of funds to purchase EASS equipment
- \$ 1,225 Additional funds for two University Police segways (*total fund balance allocation is \$11,225*)
- \$ 4,888 CAP testing expenses for Quality Enhancement Program
- \$ 5,375 English Department Chair salary adjustment to address salary inequity
- \$ 6,325 Advocate software to track and manage student conduct issues and discipline processes
- \$ 11,014 Additional funds for University Police radio equipment (*total fund balance allocation is \$18,822*)
- \$ 12,249 Supplemental pay to Athletic Director
- \$ 20,000 Additional funds for ADA sign language interpreters (*total fund balance allocation is \$100,000*)
- \$ 68,580 Football travel expenses
- \$ 70,000 Agricultural Sciences grant cash match for food technology lab and food services area at DAC
- \$ 71,000 Provost search expenses
- \$ 672,216 Carry forward of Capital Renewal and Maintenance funds

Fund Balance – Auxiliary

Budget allocations from fund balance for auxiliary purposes totaled \$88,853

- \$ 64,000 Nunn Hall mold remediation
- \$ 14,853 Waterfield Hall lobby furniture
- \$ 10,000 Refrigeration repairs in residence halls and apartments

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period October 1, 2013 to December 31, 2013

From: Revenue and Other Additions	To: Division/ Budget Unit	Amount	Description
Fund Balance - E&G	Other Non-Mandatory Transfers	\$ 672,216	An additional allocation of fund balance was made to carry forward 2012-2013 funds budgeted for capital renewal and maintenance projects. The funds are originally carried forward to Non-Mandatory Transfers and later transferred to Administration and Fiscal Services - E&G or Auxiliary Facilities Remodeling accounts for specific projects.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of October 1, 2013 to December 31, 2013

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I. Equipment Purchases \$200,000 or Greater			
None			
II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater			
West Mignon Hall Renovation	\$ 5,624,600	August, 2013	Completed
Mignon Hall Renovation	\$ 9,268,000		In Progress
Intramural/Soccer Practice Field	\$ 898,000	November, 2013	Completed
Land Acquisition - Mabry Property (Brass Eagle) <i>(payments begin January 2014 and end December 2020)</i>	\$ 875,000	December, 2013	Property Conveyed

APPROVE DISPOSAL OF REAL PROPERTY

**BOR (V-B-6)
March 13, 2014**

Recommendation:

That the Board approve the Order to Dispose of Property relating to the razing of Brass Eagle Apartments, Derrickson Agricultural Complex duplexes and farm house, Normal Hall, Garred House, and the Allie Young Law Office building.

Background:

Several buildings have become surplus to the needs of the University. Renovation of the buildings is not economically feasible and the best interest of the University would be served by razing the structures and using the land for future development in accordance with the University's Campus Master Plan. Authorization is being requested from the Board to raze the buildings listed that are surplus to the University's needs, are unsuitable for occupancy and are not economically feasible to renovate.

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

Brass Eagle Apartments

The Board of Regents authorized the purchase of the property at 423 East Main Street in September 2013. The property is located at the corner of Main Street and University Boulevard, at the main entrance to the campus. The property is a 1.06-acre lot with an 18-unit residential apartment building, previously known as the Brass Eagle Apartments. The three story building contains approximately 11,146 square feet of space and has seen several uses since its construction in the 1960's. While the building was being used as apartments at the time of acquisition, it shows much wear from years of use and is not currently in use.

The location is designated as the future site of a University Welcome Center/Alumni House, as well as offices for University offices related to Alumni Relations and Advancement.

Derrickson Agricultural Complex Housing

Derrickson Agricultural Complex currently has three frame buildings used as student housing. They were constructed in 1974. The one story buildings contains approximately 2,334 gross square feet of space each, with housing capacity of 24 students. Additionally, a farm house at the complex serves as housing for the farm manager. The house was built in 1968 and has 2,232 square feet. The facilities have numerous structural issues and are not feasible to renovate.

Future plans are to construct a modern residential facility at Derrickson Agricultural Complex to house undergraduate agricultural science and veterinary technology students, visiting scientists, and graduate students who assist in supporting the agricultural enterprises, research and instruction functions.

Normal Hall

Normal Hall was constructed in 1967 as a family housing building. The four-story building has 47 units in one-bedroom apartments, and currently houses students (not families).

The Campus Master Plan currently being finalized designates the location of Normal Hall for green space in the short term, and potentially a new residence facility in the future. With the completion of the renovation of Mignon Hall expected in the summer of 2014, capacity will be available to accommodate the students currently in Normal Hall.

Garred House

In 1989, the University acquired property located at the intersection of Second Street and University Boulevard (now Battson-Oates Drive). The property contained a two-story brick home that was used for faculty offices and at one time, the Kentucky Folk Art Center. In 2013, the University moved the faculty offices from the house and the building is not currently used.

Allie Young Law Office

Also acquired in the same property acquisition as the Garred House was a frame building approximately 18' by 33.2' in dimension that was identified as the location of the law office of Judge Allie Young, a former state senator and influential figure in Morehead, Rowan County, and University history. The construction date for the structure was estimated to be between 1840 and 1900. Due to the building's historical significance, the Board of Regents authorized transferring the property (the building plus the 29' by 69' lot), to the Rowan County Fiscal Court, with the stipulation that if the building were relocated, demolished, destroyed or damaged beyond repair, the land would revert back to Morehead State University.

Due to inability to make progress with any restoration of the structure, the Rowan County Fiscal Court has indicated their interest in transferring the property back to the University. Pending that action by the Rowan County Fiscal Court, the former law office needs to be demolished to eliminate risk associated with the crumbling structure. The area would be reverted to green space.

ADOPT REIMBURSEMENT RESOLUTION

**BOR (V-B-7)
March 13, 2014**

Recommendation:

That the Board adopt the attached reimbursement resolution.

Background:

In January 2014, the Governor proposed a budget including bonding authorization for state supported universities. If approved, the law would allow Morehead State University to offer bonds for the construction of two new residence halls, and a student dining and parking facility.

The project will be bid in summer 2014 following completion of the Phase A programming and design work which has already been initiated.

The sale of the University's General Receipts Revenue Bonds to fund the project will take place in close proximity to the opening of the bids. In order to secure and pay for the services of the design teams prior to the bond sale, it will be necessary for the University to advance funds for that purpose. The University will be reimbursed for these advanced funds from the bond proceeds.

In order to be in compliance with the Internal Revenue Code relating to the issue of tax exempt bonds, the Board must declare its intent to seek reimbursement of funds advanced for the project through the adoption of a reimbursement resolution. The attached reimbursement resolution has been reviewed by bond counsel and will satisfy the Internal Revenue Code requirements.

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY DECLARING OFFICIAL INTENT WITH RESPECT TO REIMBURSEMENT OF TEMPORARY ADVANCES MADE FOR CAPITAL EXPENDITURES TO BE MADE FROM SUBSEQUENT BORROWINGS; AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, Treasury Regulations § 1.150-2 (the “Reimbursement Regulations”), issued pursuant to § 150 of the Internal Revenue Code of 1986, as amended, (the “Code”) prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of “bonds” under §150 of the Code (“Obligations”) used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed “spent” for purposes of §§ 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Borrower (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that the Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date of the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, Morehead State University (the “Borrower”) wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved as follows by the Board of Regents of Morehead State University as follows:

SECTION 1. Definitions. The following definitions apply to the terms used herein:

“*Allocation*” means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to effect the reimbursement of the Borrower for such payments.

“*Borrower*” means Morehead State University.

“*Capital Expenditures*” means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

“*Declaration of Official Intent*” means a written declaration that the Borrower intends to fund a Capital Expenditure with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

“*Reimbursement*” means the restoration to the Borrower of money temporarily advanced from other funds of the Borrower to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. “To reimburse” means to make such a restoration.

“*Reimbursement Bonds*” means Obligations that are issued to reimburse the Borrower for Capital Expenditures previously paid by or for the Borrower.

“*Reimbursement Regulations*” means Treasury Regulations § 1.150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations when allocated or applied to a reimbursement will be treated as “spent” for purposes of §§ 103 and 141 to 150 of the Code.

SECTION 2. Declaration of Official Intent.

- (a) The Borrower declares that it reasonably expects that the Capital Expenditures described in Section (b), which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Borrower in the maximum principal amount for such reimbursements, of approximately \$49.1 million; and
- (b) The Capital Expenditures to be reimbursed are to be used for payment of initial architectural, engineering and other design fees and permits for the University’s construction project to include two new Residence Halls and a student dining and parking facility.

SECTION 3. Reasonable Expectations. The Borrower does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Borrower or any other entity affiliated with the Borrower, with respect to the Capital Expenditures described in 2(b).

SECTION 4. Effective Date. This Resolution shall be effective from and after its date of adoption.

**BOARD OF REGENTS OF
MOREHEAD STATE UNIVERSITY**

By: _____
Chair

Attest:

Secretary

Morehead State University
Preliminary Enrollment Report, Spring 2014

Table 1: 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 2009	9,046		99,917		6,803	
Spring 2010	8,279	91.5%	90,950	91.0%	6,206	91.2%
Fall 2010	8,842		97,492		6,641	
Spring 2011	8,167	92.4%	90,151	92.5%	6,150	92.6%
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*	9,749	85.8%	101,343	88.7%	6,873	88.8%

Table 2: Enrollment by Classification

Classification	Fall 2013	Spring 2014*	Spring as a % of Fall
High School	2,523	1,726	68.4%
Freshman	2,330	1,530	65.7%
Sophomore	1,448	1,520	105.0%
Junior	1,387	1,370	98.8%
Senior	2,051	2,092	102.0%
UnderGrad-Nondegree	209	197	94.3%
PostBacc UG Degree Seeking	128	107	83.6%
Auditor	0	3	N/A
Undergraduate Total	10,076	8,545	84.8%
Masters	1,011	930	92.0%
Specialist	75	79	105.3%
Doctor's Degree Prof. Practice	75	75	100.0%
PostBacc Certificate	15	7	46.7%
Graduate-Nondegree	106	113	106.6%
Graduate Total	1,282	1,204	93.9%
Grand Total	11,358	9,749	85.8%

*All Spring 2014 data is preliminary.

REPORT ON PERSONAL SERVICE CONTRACTS

**BOR (V-C-2)
March 13, 2014**

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between November 16, 2013 and February 15, 2014.

PERSONAL SERVICE CONTRACTS
November 16, 2013 through February 15, 2014

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Carson Consulting & Training	Develop and facilitate online mathematics course for Adult Education Academy	1/2/14	6/30/14	\$20,420.00	Request for Proposal