

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY  
December 8, 2011**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, December 8, 2011, 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: James H. Booth, Julie A. Butcher, Paul C. Goodpaster, David V. Hawpe, Debbie H. Long, Glenn A. Means, John C. Merchant, Ronald D. Morrison, Patrick E. Price, and Terry E. White. Cheryl Lewis was unable to attend.

**MEDIA**

Jason Blanton, Director of Media Relations, introduced Dan Conti from Morehead State Public Radio, who was present for the meeting.

**OVC VOLLEYBALL  
CHAMPIONSHIP**

Dr. Andrews reported that Morehead State University won the OVC Volleyball Championship this year and went on to the first round of the NCAA tournament and played the fifth team in the country, Purdue University. While MSU was unsuccessful, the team competed extremely well.

Coach Jaime Gordon introduced team members and assistant coaches. Coach Gordon noted that while the team members excel on the court, they are even more impressive in the classroom. The team has won the OVC academic achievement award the last four years. The team's average GPA this past year was 3.78.

Chair Merchant recognized Madonna Weathers, Vice President for Student Life, to read the Board's resolution of commendation as follows:

**WHEREAS**, the University's volleyball team under the direction of Head Coach Jaime Gordon won the Ohio Valley Conference regular season championship. The Eagles won the Ohio Valley Conference Tournament with 3-0 victory over UT Martin on November 19, 2011, at Wetherby Gym in Morehead, Kentucky.;  
and

**WHEREAS**, the team finished the season with a 26-8 overall record and a 19-1 Ohio Valley Conference record. The 19 league wins set the OVC and MSU single-season record for conference victories; and

**WHEREAS**, the team advanced to the program's first-ever NCAA Tournament where they battled fifth national seed Purdue University; and

**WHEREAS**, the volleyball team squad members include Aryn Bohannon, Caitlin Clark, Alex Fuelling, Annie Gruenschlaeger, Emma Keough, Laura McDermott, Mikayla Reese, Ellie Roberson, Lindsey Roth, Leslie Schellhaas and Liz Schuler; and

**WHEREAS**, Coach Gordon's staff includes Associate Head Coach Greg Goral, Assistant Coach Josh Chiero, Director of Operations Krysten Becker, Athletic Trainer Jessica Henderson and Manager Brianna Pollitte; and

**WHEREAS**, Caitlin Clark, Emma Keough and Ellie Roberson were named All-Ohio Valley Conference. Keough, Clark and Leslie Schellhaas were named to the OVC All-Tournament Team, and Keough was named tournament Most Valuable Player; and

**WHEREAS**, Caitlin Clark was named Honorable Mention All-Midwest Region by the American Volleyball Coaches Association. Clark earned six OVC Setter of the Week honors. Ellie Roberson earned four OVC Offensive Player of the Week awards, and Aryn Bohannon earned two OVC Offensive Player of the Week honors;

**THEREFORE**, be it resolved by the Board of Regents of Morehead State University that Head Coach Jaime Gordon and the members of the 2011 Eagle volleyball team be and hereby are commended for their exemplary achievement in winning the Ohio Valley Conference championships and advancing to the NCAA Tournament. Be it further resolved that the University expresses its sincere appreciation for their academic, athletic and personal standards.

Done this eighth day of December 2011.

ATTEST:

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John C. Merchant, Chair

\_\_\_\_\_  
Carol Johnson, Secretary

\_\_\_\_\_  
Wayne D. Andrews, President

Ms. Weathers commented that it is easy to understand why this is a class act volleyball team. She said that Jaime is the standard by which she measures all of the coaches, and he has taught her so much about what it means to recruit quality athletes. He is a role model for all of our coaches and is well-respected by the staff and athletic community. MSU is very lucky to have him, and it is because of him and his character that the

University is able to attract these outstanding young women to our program. They honor us, and we are proud of them.

Mr. Hawpe moved that the Board approve the Resolution of Commendation to the Eagle Volleyball Team. Dr. Morrison seconded the motion. The motion carried.

Chair Merchant congratulated the team members and the entire University on the team's success.

**SPOTLIGHT –  
COMPREHENSIVE  
CAMPAIGN**

Dr. Andrews introduced the spotlight presentation on the University's Comprehensive Campaign.

Jim Shaw, Vice President for Advancement, thanked the Board for its support. He indicated that as the University moves into the public phase of the campaign, the University will need the Board's help in committing support and identifying potential donors.

Mindy Highley, Director of Development, updated the Board on the comprehensive campaign. Ms. Highley reported on fiscal year gift income totals as of the end of the first quarter. She addressed total gifts received, source and designation of gifts and alumni participation results, all of which were on track to reach goals at this point. In addition, she reported on the continued progress of the University's first comprehensive campaign, which is in the silent phase but will be announced to the public in the next year.

**CONSENT AGENDA**

Chair Merchant said that the next item is the consent agenda that includes the following:

- Approve Minutes of September 15, 2011 (*IV-A-1*)
- Approve Honorary Doctoral Degree for David Richardson (*IV-A-2*)
- Approve Winter Graduates (*IV-A-3*)
- Ratify Personnel Actions (*IV-A-4*)
- Accept 2010-11 Audit Report and Amend Operating Budget (*IV-A-5*)

Dr. Morrison asked if a faculty member who has been denied tenure has been granted all the rights of due process. In response, Dr. Andrews stated that absolutely the individual has been given every opportunity for due process.

Dr. Morrison moved that the Board approve all items in the Consent Agenda. Mr. Goodpaster seconded the motion. The motion carried.

**RECOMMENDATIONS*****Bachelor of Science in  
Biomedical Sciences***

The President recommended:

**RECOMMENDATION:** That the Board approve the proposal by the Department of Biology and Chemistry for the Bachelor of Science in Biomedical Sciences degree.

*(Additional background information attached to these minutes and marked IV-B-1)*

***Bachelor of Science in  
Veterinary Science***

**RECOMMENDATION:** That the Board approve the proposal by the Department of Agricultural Sciences for the Bachelor of Science in Veterinary Science (BS-VS) degree.

*(Additional background information attached to these minutes and marked IV-B-2)*

Dayna Seelig, Associate Vice President for Academic Affairs, said that the proposed degree programs for the Bachelor of Science in Biomedical Sciences and the Bachelor of Science in Veterinary Sciences provide an opportunity for MSU students to take more medically-related courses in their four-year curriculum thus better preparing them for entrance into a health professional school or college of veterinary medicine.

**MOTION:** Dr. Morrison moved that the Board approve both the Bachelor of Science in Biomedical Sciences and the Bachelor of Science in Veterinary Science. Ms. Butcher seconded the motion.

**VOTE:** The motion carried.

The President recommended:

***First Quarter Financial  
Statements***

**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, 2012, and amend the operating budget.

*(Additional background information and First Quarter Financial Statements attached to these minutes and marked IV-B-3)*

Michael Walters, Chief Financial Officer and Vice President for Administration, stated that the report includes the financial statements for the first three months of the fiscal year along with management's discussion and analysis and budget amendment information. Also, the Board is being asked to amend the operating budget for the first quarter of the fiscal year.

Kelly Owen, Director of Accounting and Financial Services, discussed the Statements of Revenue, Expenditures and Changes in Fund Balance. Ms. Owen noted that for the first quarter of the 2011-12 fiscal year, July 1, 2011, through September 30, 2011, the University operated with a surplus of revenues over expenditures and transfers in the

amount of \$20,099,802. This level of operating surplus is expected at this time since most the billings for the Fall 2011 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2011, 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.

Teresa Lindgren, Executive Director of Budgets and Financial Planning, discussed the Statement of Net Assets. Ms. Lindgren noted that capital assets increased approximately \$10 million from the previous year. This increase is primarily related to expenses incurred for residence hall renovations and for the Student Recreation Center during this period. Accumulated depreciation on buildings and equipment was \$136,632,676 at September 30, 2011, and \$128,012,921 at September 30, 2010. Ms. Lindgren also discussed unrestricted current funds budget amendments and budget amendments greater than \$200,000 for the three-month period.

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

VOTE: The motion carried.

The President recommended:

*Dispose of Real Property*

RECOMMENDATION: That the Board approve the Written Request to Dispose of Real Property and authorize the sale of a lot located at the intersection of Second Street and Tippett Avenue.

*(Additional background information and Order to Dispose of Real Property attached to these minutes and marked IV-B-4)*

Mr. Walters said that the University owns a small parcel of land located at the intersection of Second Street and Tippett Avenue. The land is used as parking and contains 12 parking spaces. The parking lot is not fully utilized and is surplus to the University's needs. In accordance with procedures outlined in the Kentucky Revised Statutes, an appraisal was obtained from an independent appraiser establishing the fair market value at \$23,000. The City of Morehead has requested that the University sell the property to the City for the purpose of making the land available for development.

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

VOTE: The motion carried.

**Dispose of Real Property**

The President recommended:

RECOMMENDATION: That the Board approve the Written Request to Dispose of Real Property and authorize the razing and removal of the clubhouse/pro shop building and residential rental house located at the site of the former Sunny Brook Golf Course.

*(Additional background information and Order to Dispose of Real Property attached to these minutes and marked IV-B-5)*

Mr. Walters stated that two buildings located at the site of the former Sunny Brook Golf course, a clubhouse/pro shop building and a residential rental house, have become surplus to the needs of the University. He said that renovation of the buildings is not economically feasible, and the best interest of the University would be served by razing the structures. In addition, the removal of the buildings is consistent with the University's planned development of Sunny Brook.

MOTION: Mr. Booth moved that the Board approve the President's recommendation. Mr. White seconded the motion.

VOTE: The motion carried.

The President recommended:

**2012-2014 Executive  
Branch Budget Request**

RECOMMENDATION: That the Board ratify the University's 2012-2014 Executive Branch Budget Request.

*(Additional background information attached to these minutes and marked IV-B-6)*

Ms. Lindgren stated that on November 10, 2011, the Council on Postsecondary Education (CPE) approved a 2012-2014 Operating and Capital Budget recommendation for the public postsecondary education institutions to the Governor and General Assembly. In accordance with the CPE's recommendation, Morehead State University was required to submit a biennial budget request for 2012-2014 by November 15, 2011, to the Governor's Office for Policy and Management, the Legislative Research Commission, and the CPE. She indicated that the state appropriation budget request for the 2012-2013 fiscal year is \$48,181,500 and for the 2013-2014 fiscal year is \$49,299,700, which is an approximate increase of 8.7 percent in the first year of the biennium and 2.4 percent in the second year.

Ms. Lindgren also noted that the CPE's capital recommendation for 2012-2014 provides a new capital investment strategy for public postsecondary education. The new approach promotes a multi-biennial capital investment strategy that aligns with the six-year capital planning process and is grounded in the results from the comprehensive facilities study conducted in 2007 and recommended by the Kentucky General

Assembly's Capital Planning Advisory Board in the 2012-2018 Statewide Capital Improvements Plan (November 2011). The three components of the CPE's capital request include state bond-funded capital investments for asset preservation and renovation, new and expanded E&G and research space, and information technology initiatives.

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

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve a non-recurring, mid-year salary supplement in the amount of \$750 for each full-time faculty and staff member employed prior to July 1, 2011, in an authorized position funded in the University's unrestricted operating budget and serving in a non-probationary performance status.

Mr. Walters stated that because of ongoing fiscal challenges, the University has been unable to provide consistent pay increases to faculty and staff. Prior to the current fiscal year, salaries and wages have not been increased for two years. In December 2010, the Board approved a mid-year salary supplement of \$750 for employees who met certain criteria. In the 2011-12 fiscal year, a 2 percent salary pool was available for faculty and staff pay increases.

Mr. Walters noted that during the past year, employees have worked both individually and collectively to achieve the strategic goals of the University, including boosting headcount enrollment, increasing the student retention rate, and implementing changes to achieve greater efficiency and effectiveness in operations. As a result, he said that it is important that the work of the faculty and staff be acknowledged in terms of positive performance feedback and also in terms of pay for those individuals.

The Chair recognized Kim Sharp, chair of the Faculty Senate, who commented that the faculty appreciates anything the University can do as a gesture that we are greatly appreciated. Dr. Sharp also said that the Faculty Senate is working hard with regard to compensation and the task force appointed by President Andrews to study the issue.

Rebecca McGinnis, chair of Staff Congress, agreed that everything is appreciated by the staff and anything that recognizes and thanks the staff for their service is greatly appreciated.

Chair Merchant said that while these are tough economic times, he believes it is important to recognize faculty and staff in any way we can, and he congratulated the administration for making it a priority.

*Mid-Year Salary  
Supplement*

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

VOTE: The motion carried with Dr. Morrison and Mr. White abstaining.

Following a five-minute break, the Board reconvened at 11 a.m.

## REPORTS

### *Fall 2011 Enrollment Report*

Dr. Andrews reported on the Fall 2011 enrollment and commended Jeffrey Liles, Assistant Vice President for Enrollment Services, and his team for their good work in increasing enrollment for the 2011 Fall Semester. He also attributed the increase to the University's marketing plan. (*Enrollment Report attached to these minutes and marked IV-C-1*)

Dr. Andrews noted that a significant number of the enrollment growth in the freshman numbers relates to the Early College Program. These are students who are in high school being taught primarily with adjunct high school faculty using University curriculum and assessment materials. This program aligns with Senate Bill 1 (09) to encourage students to enter postsecondary education in most cases at no cost to them and, secondly, as a marketing pathway for those students to attend Morehead State University following graduation from high school.

Mr. Liles noted that there was a 7 percent increase from the preliminary report in September to the final report in November. He also noted that Open House numbers, Meet Morehead State University Nights, and applications are up. The University's target number for first time freshmen is 1,600.

In response to a question by Mr. Goodpaster on what percentage of the 24.1 percent would be the Early College Program, Mr. Liles said that it would be approximately 2,300. Dr. Andrews noted that the average ACT of the entering class is 21.8.

### *Report on Health Insurance for Plan Year 2012*

Phil Gniot, Director of Human Resources, reported on health insurance and benefits for plan year 2012. He discussed the primary objectives of the plan that include:

- Continuing to maintain high-quality, market-competitive and affordable health care coverage;
- Continuing the passive health incentives, health education programs, health diagnostic programs, and active wellness incentive programs;
- Leaving existing health plans and structure the same;
- Continuing to integrate Anthem's focus on chronic disease and prevention; and
- Continuing to incorporate employee data and suggestions into the plan design and philosophy.

Also, Mr. Gniot said that the University will continue to manage the targeted rebalance of the total portion of the premium that the University contributes. The objective is to

return that balance to a 75/25 percent allocation where the University contributes 75 percent of the total annual premium. For 2011, the University was at 78/22 percent and will move to a 77/23 percent ratio in 2012. In addition, dental plans and employee life insurance rates will remain the same in 2012. (*Report on Health Insurance and Benefits for Plan Year 2012 attached to these minutes and marked IV-C-2*)

## **PRESIDENT'S REPORT**

### ***SACS Reaffirmation of Accreditation***

### ***Endorsement in English as Second Language***

### ***Guaranteed Energy Savings Performance Contract***

### ***Technology Master Plan***

### ***Renovation of East Mignon***

### ***Renovation of Rowan County Public Library Building***

### ***Safest Campus Ranking***

### ***Recreation and Wellness Center***

Dr. Andrews reported on the following:

- The Southern Association of Colleges and Schools (SACS) at its annual meeting this past week announced Morehead State University's reaffirmation of accreditation. (*Board members applauded*)
- Classes leading to English as a Second Language endorsement, which is designed to prepare teachers to provide appropriate instruction to and address the cultural and linguistic needs of the increasingly diverse students in Kentucky's P-12 classrooms, will be offered totally online in 2012.
- The University has entered into a Guaranteed Energy Savings Performance Contract that will be submitted to the state in January for approval. Earlier, the University selected Siemens Industry, Inc. to proceed with the planning and development of an energy savings performance contract to reduce energy use through equipment upgrades and enhanced systems for controlling the use of electricity, natural gas, coal, and other energy resources. Siemens has projected a cost avoidance of approximately 23 percent of the University's \$3.5 million annual utility budget by implementing the energy efficiency program. This savings is guaranteed through Siemens.
- A consultant has been selected to assist in the development of an information technology master plan for the University. That work will commence in January and conclude in the summer.
- The renovation of East Mignon residence hall is under way. The \$5 million renovation will be completed in the summer of 2012, and the hall will be back in service for the fall 2012 semester.
- The renovation of the former Rowan County Public Library building is well under way. The \$2 million construction project will house the Kentucky Center for Traditional Music program upon its completion next spring.
- Morehead State University is ranked as the safest campus in Kentucky for the second straight year by [StateUniversity.com](http://StateUniversity.com), a leading website for college information. The MSUPD also has received a \$5,000 grant to help address underage drinking issues. The MSUPD radio room received a score of 99 on a recent National Crime Information Center audit, one of the highest scores of all police agencies in the state.
- Since MSU opened the Recreation and Wellness Center, there have been more than 55,000 user visits to the facility through November 30, 2011, with more than 4,000 group fitness participants and more than 1,000 students participating in intramurals. MSU staff is fully trained on the outdoor adventure course and

*Bachelor Degree in Traditional Music*

that program will be incorporated in the programming of the facility.

- The Council on Postsecondary Education approved MSU’s proposed bachelor’s degree in Traditional Music.

**EXECUTIVE SESSION**

Chair Merchant stated that the Board will now retire into Executive Session pursuant to KRS 61.810(1) (c) to discuss matters relating to pending litigation. The Board will take no action while in Executive Session. He opened the floor for a motion to go into Executive Session at 11:23 a.m. Ms. Butcher moved that the Board go into Executive Session. Mr. Price seconded the motion. The motion carried.

Chair Merchant said that the Board will now retire to Executive Session.

**OPEN SESSION**

At 11:40 a.m., Chair Merchant asked for a motion for the Board to return to Open Session. Ms. Butcher moved that the Board return to Open Session. Mr. Hawpe seconded the motion. The motion carried.

Chair Merchant stated that the Board has now returned from Executive Session and is again in Open Session. No action was taken during the Executive Session.

**BOR MEETING DATES FOR 2012**

Chair Merchant announced the Board of Regents’ meeting dates for calendar year 2012 as follows:

Work Session	February 16
Quarterly Meeting	March 15
Work Session	May 3
Quarterly Meeting	June 7
Work Session	August 23
Quarterly Meeting	September 20
Work Session	November 15
Quarterly Meeting	December 6

**ADJOURNMENT**

There being no further business to conduct, Dr. Morrison moved that the meeting adjourn at 11:42 a.m. Ms. Butcher seconded the motion. The motion carried.

Respectfully submitted,

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Carol Johnson, Secretary  
Board of Regents

