

Swearing-In Ceremony

Chair Guess reported that in keeping with Section 164.321 of Kentucky Revised Statutes (KRS), Governor Matt Bevin, on July 27, 2018, appointed Virginia Bishop Gray of Hopkinsville, Kentucky, to replace Stephen Williams whose term had end June 30, 2024. In addition, in March 2018 the staff of Murray State University re-elected Philip R. Schooley to serve as Staff Regent. His fourth term will be July 1, 2018, through June 30, 2021. Calloway County District Court Judge Randall Hutchens administered the Oath of Office to Mrs. Gray and Mr. Schooley.

Chair Guess reported that Mrs. Gray is the Director of Government Relations for the Tennessee Valley Authority (TVA) and has a Bachelor of Arts degree in Public Relations from Western Kentucky University. She has influenced the creation of the Kentucky Caucus of TVA Legislators, assisted to pass bills lifting the moratorium on nuclear energy in Kentucky and the distribution of more TVA tax monies going back to TVA counties for economic development. Previously a former state lobbyist, she represented a broad array of interests including healthcare, mental health, justice reform, corrections and transportation. Mrs. Gray serves on the Board of the Tennessee Valley Corridor, is a representing member for the First Congressional District of Kentucky and is also Chair of the Trilogy Foundation, a non-profit organization assisting residents at the Trilogy Center for Women, a Recovery Kentucky program. As a signature fundraising event for the Foundation, she created the Commi Farm-to-Table Dinner, partnering with the Kentucky agriculture and tourism cabinets, highlighting Kentucky Proud products and venues. Virginia and her husband, Robert, who is a Murray State alum, live in Hopkinsville with their three children.

Mr. Schooley is the senior member of the Board of Regents and appreciation was expressed for his service. Mr. Schooley is the Telecommunications

Jill Hunt. All other members passed. Chair Guess indicated there being only one nomination for Secretary, Jill Hunt is unanimously elected, according to the *Bylaws* of the Murray State University Board of Regents.

Consent Agenda Items, approved/accepted

Chair Guess reported t on
the Consent Agenda for approval/acceptance (action items are denoted with an asterisk):

Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on June 8, 2018, and Minutes of the Special Meeting of the Board of Regents on August 7, 2018*

Finance Committee Personal Services Contracts Schedule of Expenditures (For Information Only)

Personnel Changes Staff Leaves of Absence without Pay (processed as of August 1, 2018, for the time period indicated)*

Murray State University offers a variety of excused staff leaves without pay such as family medical leave, military leave, education(a)4(ve)4(, mi)-3(lee)6()T2i-3(c-9(withv)TJf5c(ve)4(, mi)-3(lee)6(o

Board Development – Institute of Engineering

Dr. Arant reported that all associated with the Institute of Engineering are dedicated to supporting workforce development in STEM (Science, Technology, Engineering and Mathematics) areas to provide the Commonwealth with greater access to engineers and engineering technology. Interim Dean Claire Fuller, *Jones College of Science, Engineering and Technology* and Dr. Danny Claiborne, Chair of the Institute of Engineering were introduced and reported the following:

Dr. Claiborne has worked at Murray State for 33 years and for 20 years has served as Chair of the initial Department of Industrial

supplied with the workforce needed. If the program does not continue to grow companies will not continue to seek out these Murray State students.

The Institute of Engineering is in the final phases of developing the Civil and Sustainability Engineering Program proposal which will be provided to the state. Appreciation was expressed to Dr. Pervine for his assistance in this regard. The pre-proposal for the program has been approved and the full and final proposal will be submitted soon. All are optimistic the program will be approved and it will be the first time in Kentucky history that an engineering program will be approved for a university outside of UK or the University of Louisville. Once the Civil and Sustainability Engineering Program is available, the Civil Engineering Technology Program will be closed. This plan for the future is evidenced in the controlled drop in enrollment for the Civil Engineering Program. The proposal for the Civil and Sustainability Engineering Program will soon be presented to the Board for approval.

There has been a controlled drop in graduate program enrollment over the last few years to allow graduate programs to be moved to an on-campus and online format because growth could not be sustained as it is currently structured. If the graduate program grows back to where it was a couple of years ago, there will be over 650 students enrolled through the Institute of Engineering.

The plan for the future is to add Computer Engineering and Industrial Engineering to the engineering offerings available at Murray State. The TSM program will also be reformatted and a track will be developed with an emphasis on Cybersecurity.

Information was presented on local, regional and national companies that play an important role in the success of the Murray State Institute of Engineering, both in terms of providing funding and hiring interns. After approximately six years of building a strong relationship and Murray State faculty and staff making visits to Ge

work begins with the Board providing direction and ensuring all are on the same page. It will be a busy and difficult year but everyone at the University is committed to this work.

Dr. Jackson reported he is personally very proud of the Road Scholars Program. The first day the program was launched over 100 faculty, staff, Deans, Chairs and administrators were there to help on a voluntary basis in an effort to target 100 high schools and that says a great deal about this University. The number of volunteers has now increased to 165 individuals and this will make a difference. Appreciation was expressed to the team that worked to reinvigorate the Road Scholars Program.

In the next several weeks *Regional Campus Advisory Councils* will be announced at each of the regional campus sites Paducah, Madisonville, Henderson and Hopkinsville (includes Ft. Campbell). Stakeholders will be engaged in more detail than in the past and this includes economic development officials, Superintendents, high school administrators, elected officials, etc. This will help ensure the University is enhancing programs and is offering programs needed in those communities. Key stakeholders in success related to recruitment and all look forward to advancing the *Regional Campus Advisory Council* initiative moving forward. Confirmation was provided that plans will also be forthcoming related to Ft. Campbell and the military component of recruitment and enrollment.

A great deal of discussion occurred at the Retreat with regard to enhanced marketing efforts related to recruiting and imaging work to ensure what is being undertaken is appropriate in the -county service region and in larger markets. It must be assured that the ing told in the appropriate way and through the appropriate means. Target enrollment for next Fall is 10,000 students and 10,500 the year following. The University must have goals and work toward those objectives.

Report of the Treasurer (Quarterly Financial and Investment Reports), accepted

Ms. Dudley reported that an Executive Summary related to the quarterly unaudited Financial and Investment Reports was included in the eBoard book and highlighted the following:

The University ended the year with the Education and General (E&G) operating fund being approximately \$1 million better than anticipated (due to tuition and fees). It has been previously reported to the Board that the estimated shortfall relative to tuition and fees would be \$7.2 million. Due to Summer I (2018) net revenues materializing at \$700,000 over budget and the management of discounts, net tuition and fees fell short of budget projections by approximately \$6.2 million. The tuition and fee numbers presented for fiscal year 2018 are final and work is underway to determine the impact for fiscal year 2019.

For fiscal year 2018, the University was required to begin disclosing post-employment benefits for the retirement systems. Approximately four years ago the University was required to begin recording its share of the pension liability for the retirement systems. This year the University was asked to begin disclosing its share of the life and health liabilities for the retirement systems and this represented a substantial change for the institution. All were aware the requirement was forthcoming but the associated amount was unknown until the retirement system audits were received.

Information was presented in the eBoard book comparing fiscal year 2017 and 2018 figures.

Information on the retirement expenditures was presented and for fiscal year 2017 the University expended \$22 million for year-

payroll contributions to the pension systems. Every time a payroll is run the University contributes its required contribution rate to the state and must record this amount on its financial statements (as). For fiscal year 2018 those

expenditures reversed to a negative expenditure of \$8.6 million. This is starting to reverse the trend loyee Retirement System (KERS)

and is onal share of that liability and this impacted the financial statements greatly. It did not impact cash flow but affected net position. These expenditures are not funds the University writes a check for but are liabilities it is required to disclose. It was reported that E&G ended the year \$1.5 million to the good, but because of this credit expenditure the University actually ended the year almost \$10 million ahead. This means the liability that is currently standing at \$269 million is starting to decrease. Last year-end bility was \$312

e pension liability. This year, with the Net

Other Postemployment Benefit (OPEB) adjustment, the U million, representing a significant change. With the OPEB the University was required to expense almost \$2 million this year fiscal year 2018 for post-employment pension benefits. The University also had to make a prior-period adjustment in its liability of \$38 million. The pension liability had to be increased by the pension system. That liability was reversed by \$82 million because of the performance of the

f \$44 million. The figures presented have been confirmed by the auditors but the importance and significance of the liability decreases are critical when the University is rated by the market to sell bonds in future years. A decrease in significant when the institution goes to the market and is rated by rating agencies. In response to whether this means the University will not have to make an extra payment to KTRS that was anticipated for this budget year, Ms. Dudley reported there are two retirement systems TRS and KERS. The system that operates KERS did have a significant increase in liability but additional contributions. The answer to whether an additional payment will be required is not yet known because the legislation is still in the courts and it is understood there is to be some ruling by the Kentucky Supreme Court shortly after November elections to determine whether prior legislative action will remain. There is a proposal within that legislation which would increase the rate significantly but the final outcome remains unknown. Confirmation was provided that investment performance and contributions will begin to have an impact one way or the other. It is difficult to s are based on the prior-year audits of the pension systems and these financial statement reporting numbers were just released this month.

An overview was provided in terms of how the University arrived at a \$1.5 million increase in E&G net position (before pension/OPEB). These represent one-time funds which resulted from good management by all University units, vacancy credits and delaying expenditures. Close to \$1 million was due to scrubbing some plant projects that have just been completed so those funds could be repurposed in an effort to breakeven this year.

The other significant impact on the financial statements for fiscal year 2018 was that the historic value of JH Richmond residence hall had to be written down and recognized. The JH Richmond incident occurred as the year was closing and did not impact the financial statements for fiscal year 2017. The historic value amount was unknown at that time so it could not be recorded. Information was provided in the eBoard book on the estimated restoration cost for JH Richmond versus the replacement cost and what is considered to be the impaired value for the facility. The impaired value of \$9.5 million for JH Richmond was removed from the balance sheet. As that building is restored, construction in progress will be added and the University will be capitalizing those new expenditures. This year there was a significant write down to remove what was calculated to be the value of the building that went off-line. Also recorded was \$13.5 million in insurance proceeds that the University has not yet received, but expects to receive. This was recorded as a receivable and is a required disclosure. As the design process for JH Richmond was undertaken it was estimated the University would receive approximately \$12.5 million in insurance proceeds. The University received \$1 million upfront for remediation to advance the facility to where it is today. Confirmation was provided that if additional work is required from what is anticipated there will be more insurance monies received and the \$12.5 million represents an estimate for restoration of the facility to its original state. The cost for the restoration could also be less than the \$12.5 million estimated. Once the restoration project begins the University will need to adhere to careful accounting standards for those expenses which are reimbursable through insurance and those for which the University is making an investment.

Mr. Kemp complimented Ms. Dudley, her staff and the entire University for doing a good job of managing its way through what could have been a financial crisis. When tuition decreases by \$6.2 t puts the institution in a difficult situation. Appreciation was expressed to all for their efforts. Confirmation was provided that the various units sacrificed this year which resulted in the balance presented.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period of July 1, 2017, through June 30, 2018, as presented. Mr. Payne

A dashboard for Murray State strategic priorities was included in the eBoard book. Key

underrepresented minority (URM) freshmen has increased from 10 percent to 11.9 percent which is a testament to what the University is doing in this regard. funding represents a 3 percent share of the overall 35 percent component for Student Success.

The Board previously requested additional information on dual credit opportunities for high school students. It is beneficial to provide dual credit opportunities for high school students but of the -seeking students, 504 incoming freshmen were in *Racer Academy* or dual credit courses. Of the students taking *Racer Academy* courses, 30 percent actually transitioned to Murray State. The average number of credit hours that a student received was 19.26 (with a standard deviation of 12.1). These students earned 9,708 credit hours but the University was only able to charge \$56 per credit hour (one-third of the credit hour cost at the community colleges) and budgetarily this has a significant impact. If students are entering the University with an average of 19 credit hours that means they are coming in after the first semester of their freshman year and this affects advising and academics. Regent Payne reported that he was a *Racer Academy* student during his junior and senior years in high school which played a significant role in why he is even a student at Murray State and there are many other students who share his experience.

Clarification was provided that freshmen transfers are those students entering Murray State with less than 30 credit hours. It was reported that this year 962 students have *Racer Academy* courses and last year this number was 880. The administration must take into consideration when dedicating resources to the *Racer Academy* that 70 percent of these students are attending college elsewhere. Clarification was provided that 40 percent of the entering freshman class (baccalaureate degree- *Racer Academy* and pre-ha

Committee Reports/Recommendations

effort to reach out to students who do not meet the minimum admission requirements for Murray State but really want to attend. The goal of the partnership is to have these students enrolled in WKCTC classes as well as in some Murray State classes on campus. These students would live in the residence halls and would be treated like any other student. Research shows that this is key to retaining these students. They will also be provided with a great deal of academic coaching and support to strategically ensure their success. Agreements such as this must be in place for there to be a corresponding increase in enrollment.

Paducah Regional Campus and 21 students from across the country are enrolled.

The entire Academic Affairs unit is looking at efficiencies and an effort is being made to automate as much as possible. A key component of this process is determining how to shorten the current curriculum approval process that now takes up to two years. This work is being undertaken to allow all resources to be focused on students. Efforts will also be maintained to ensure the University is offering those degree programs that are needed and best serve the Commonwealth of Kentucky.

d in Room 333 in Wells

Hall.

This report was presented for informational purposes only and required no Board action.

Academic Administrative Appointment Update (For Information Only), received

Dr. Arant reported that Dr. Allen White, Professor of Journalism and Mass Communications, has been appointed as Interim Chair of that department. Dr. White replaces Dr. Debbie Owens, Associate Professor, who has served as Interim Chair of the department since July 1, 2016. Dr. Owens has assumed a 9-month faculty contract, effective August 14, 2018. The University has experienced some difficulty

National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification Consent and Affirmation of Athletics' Mission Statement, consented and affirmed

Mr. Crigler reported that Regent Schooley serves as the Board representative for the National College Athletic Association Board. Each year the National Collegiate Athletic Association/Ohio Valley Conference requests Board consent related to Governing Board Certification and certifies that authority for the administration of the Athletics Program be delegated to the Chief Executive Officer

On behalf of the ad hoc Athletics Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, consent to the National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification for Academic Year 2018-19 and affirm its support of the as presented. Mr. Rhoads seconded and the motion carried.

Full Board Action – National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification Consent and Affirmation of Athletics' Mission Statement, consented and affirmed

On behalf of the ad hoc Athletics Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, consent to the National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification for Academic Year 2018-19 and affirm its support of the as presented. Mr. Rhoads seconded and the motion carried unanimously.

Mr

Waterfield Library HVAC Repairs and Water Intrusion Repairs Program Statement, approved

Ms. Dudley reported that the Board toured Waterfield Library yesterday. The facility was originally built in 1957 to serve as the student union building. In 1976, the facility was converted into a library through major renovation including a large three-level addition to the west side of the building. During this renovation, portions of the heating and cooling system were replaced or updated, however, others remained from the original construction. Total square footage of the building in its current configuration is 106,830. In 2016, due to failures in the underground steam distribution piping, Waterfield Library was converted from the campus central steam heating system to a self-contained boiler system local to the building. Waterfield Library has a current replacement cost for insurance purposes of \$21,417,890.

Mr. Jones reported that in 2017, BRiC Partnership, LLC was commissioned to perform an engineering analysis of the HVAC systems in Waterfield Library in order to improve temperature control issues and to reduce moisture and prevent mold growth in the east lower portion of the building. Concurrently, Ross Tarrant architectural firm was commissioned to investigate and propose solutions to water intrusion in the basement of the library which was suspected to be coming from the front porch area and to propose design alternatives for potential functional changes to the library overall. At the conclusion of their analysis, BRiC made several recommendations to repair and/or replace several portions of the HVAC system due to repurposed use of the building and/or equipment that has outlived its useful life. The overall construction budget for this portion of the project is estimated to be \$750,000, which would include replacing and/or repairing several of the air handling units, updating controls and terminal devices and other required maintenance work. In order to prevent further water intrusion from the porch area, Ross Tarrant has suggested demolishing and removing the existing concrete, removing the existing failing waterproofing membrane, repairing any damaged drainage equipment and replacing the waterproofing membrane underneath. The porch would then need to be rebuilt to allow for continued use of the space as it is currently configured. The estimated construction cost for this portion of the project is \$350,000. It is also desired to repurpose some of the spaces in the library for other uses than their current function. At this time, those details are not fully known but plans will take into consideration future use of the space and plan modifications accordingly to interface successfully with those potential changes. Appropriate approvals will be obtained from the state, if needed.

The cost for this project slightly over \$1 million is being covered with deferred maintenance one-time monies which remained in the Plant Fund. Once design plans are finalized work will be undertaken as expeditiously as possible to address the HVAC issues in the facility because they are creating other concerns in the building. This work will likely be accomplished in phases. The porch section that needs repair is also creating other issues but that work will also need to be accomplished in phases. Discussions still need to occur with the engineers to determine how all systems in the building fit together. These do not represent new issues as repairs have been done on the units for a number of years. The units are simply reaching the age where repairs are no longer feasible.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of

Dr. Jackson expressed appreciation to Ms. Dudley and her team, the City of Murray, Mayor Jack Rose and the Murray City Council with regard to work that has been undertaken on 15th Street. Chipped glass had been used as mulch in some of the right-of-

extended campus sites to help undertake this necessary work. Part of the review being undertaken focuses not only on the local communities but outside areas with potential for growth and new tuition strategies and academic offerings are being considered. Confirmation was provided that consideration is being given to offering certifications and micro-credentialing, particularly in certain areas and this work will be undertaken in collaboration with Hopkinsville Community College.

In response to

that enrollment trends at the regional campuses show the number of students enrolled in online classes is increasing. Confirmation was provided that Campbellsville University and the University of the Cumberlands have significantly affected enrollment

admission opportunities), campus bus-in events, expanding/enhancing events for community college advisors, joint admission programs, website audit and enhancements, focus group research and alumni participation in community college partnership events.

Confirmation was provided that a consultant will visit campus next week to participate in and evaluate the current campus visit process.

Roslyn White, Associate Director of Recruitment and Coordinator of Multicultural Recruitment reported the following:

Bus-ins will continue to bring students from diverse backgrounds to the main campus from areas such as Lexington, Louisville, Memphis and Hopkinsville. Racer Days this year is scheduled during Family Weekend and high school students will again be visiting the University from many different locations. Staff will also continue to make visits to racially diverse high schools and attend college fairs where diverse students are represented.

Collaboration with pre-college programs and high schools will continue to identify prospective

restructured to include information not only about the University but also the city of Murray and available housing. The Graduate Student Council will be revamped to include graduate students on campus and online from all colleges and schools across the University. These efforts will help identify what the University is doing right and what needs to be changed to better meet the needs of graduate students.

Confirmation was provided that the graduate tuition change the Board approved has had an impact. With regard to the domestic graduate market, there has already been an increase in the number of full-time students. Part-time and full-time out-of-state graduate student numbers have also increased.

Dr. Robertson reported the following with regard to international recruitment:

Institute for International Studies staff Dr. Guangming Zou, Assistant Vice President and Tyson Manering, Director of International Recruitment and Operations Manager have visited numerous schools, worked with agents and attended recruitment fairs and conferences where various schools from across the world gather to talk about Murray State with these individuals in one location. The number of international partnerships has been enhanced and follow-up messaging has been personalized through social media, texts, emails and phone calls.

The new graduate tuition rate model is expected to result in significant dividends in the upcoming year because it makes the University much more competitive with schools it competes against. A merit-based scholarship grid for undergraduate students and the partner schools has also been established. Students come to Murray State for a semester or a year but end up wanting to stay and the new scholarship will help enrollment in the long- and short-term. For the first time thereTJETB(eTJET nowETBT

Chair Guess expressed appreciation for all the work that is being undertaken with regard to recruitment and enrollment. The significance of enrollment is not lost on the Board. At the June meeting the Board asked that a Comprehensive Enrollment Plan be developed for presentation at this meeting but it is also known changes have occurred which prevented the full presentation of that Plan. At the October meeting the Board expects a Comprehensive Enrollment Plan so it can better understand how all the initiatives presented today actually affect enrollment. The work of the *Commission* has been meaningful and impactful and there has clearly been a great deal of movement in the right direction. This Board stands ready and committed to do whatever it can to help the process moving forward.

Adjournment

The Enrollment Management and Student Success Committee adjourned at 12:15 p.m.

Chair Guess reported that the Board of Regents will gather on the front steps of Pogue Library for a group photograph and will then have lunch in Winslow Dining Hall. Following lunch the Board will tour Blackburn Science Building and Regents Hall to get a first-hand look at deferred maintenance needs in those two facilities. It is anticipated the Board will reconvene at 2:15 p.m. The Board adjourned for lunch at 12:17 p.m.

Reconvene

Chair Guess reconvened the Quarterly and Committee meetings of the Board of Regents at 2:30 p.m. and reported all members were present.

Regent Schooley introduced Marion Hale, the new Staff Congress President.

Finance Committee

Daniel Kemp Chair
Eric Crigler
Katherine Farmer
Jerry Rhoads
Phil Schooley

Mr. Kemp called the Finance Committee to order at 2:30 p.m. and reported all other members were present.

Ms. Dudley was asked to share preliminary projections for the budget for this fiscal year based on the enrollment decline. Ms. Dudley reported there will not be an official month-end number until August books are closed. The only way to project tuition at this point is based on headcount and there is not a good picture of residency from a revenue standpoint. With regard to net tuition (gross tuition, less scholarships and discounts), the shortfall could be between \$3 to \$5 million but this is a very early estimate. Spring enrollment is typically at 98 percent of Fall enrollment due to graduation in December. Summer I also presents an opportunity. Confirmation was provided that a \$2 million contingency is included in the budget for Fiscal Year 2019.

Personal Services Contracts, approved

Ms. Dudley reported that Item #11 of the Delegation of Authority stipulates that the Board:

\$80,000 for travel. When Dr. Tullos travels the University does not reimburse her directly (processed through the Registry) and the figure presented represents travel for business purposes based on job requirements. Confirmation was provided that if the \$80,000 is not used for travel it could be repurposed for other recruiting activities because the source is the General Fund. The will be responsible for the disbursement of these funds and paying invoices.

The second Personal Services Contract is for services to assist with targeted marketing efforts for student recruitment and was discussed during the Retreat yesterday. The amount of the contract is \$150,000 to retain a firm to assist with the deployment of marketing across Kentucky and Dr. Jackson distributed additional information with regard to a firm to ass s request.

Schedule is divided into different funding sources, including departmental unit, restricted and auxiliary. Confirmation was provided that the departments also provide assistance in meeting deferred maintenance needs and it is not solely a Facilities Management issue.

The second listing includes projects over \$200,000. If these projects need to begin before they have full Board approval, they are submitted to the Chair for approval. These projects are also divided by funding sources. There are three projects included on the listing for information technology infrastructure needs as well as a project for relocating an office suite and one related to safety and security improvements to stairwells and balconies in the Doyle Fine Arts Building. All projects are being funded through departmental/unit funding sources. In terms of funding in the amount of \$200,000 to be determined for necessary upgrades to the Legal Services suite in Pogue Library, Ms. Dudley provided confirmation that an effort is being made to identify funding for this purpose. If approved by the Board, funding will be identified from one-time Education and General Fund sources. Discussion occurred with regard to whether there is any other space on campus where the General Counsel office could be relocated such as Wells Hall. Dr. Jackson reported that an effort is being made to not house every senior administrator in one facility. When consideration has been given to other spaces the office becomes more remote and difficult to find. In terms of proximity, the office is currently located across the Quad from Pogue Library. Discussion presented has been to invest in and maintain Pogue Library to protect the building. Keeping the General Counsel office in this location is a way to have an entity in the facility on a more permanent basis. Confirmation was provided that there is not currently a plan for housing the four full-time staff in the General Counsel office or replacing restroom facilities. The amount being suggested for this reconfiguration may not be sufficient but would at least allow for the project to get started. Regent Payne indicated he is concerned about putting \$200,000 into one office when there are many other needs. There may not be an ideal location to move the office but doing so could save money that could be put into student facilities and have a significantly greater impact on more individuals. Ms. Dudley confirmed that if the Board does not want to expend any funding for this project the University certainly does not want to engage in design work for this purpose. Regent Rudolph indicated she is all for maintaining the facility but does not have the vision as to whether this is the best location for the General Counsel office. Dr. Jackson agreed that more discussion can occur in this regard but the current offices encompass a rather large space. Agreement was reached that the cost to retrofit a comparable suite of offices must also be taken into consideration and this could represent the first effort toward maintaining Pogue Library.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects approved by the Board of Regents Chair. Mr. Crigler seconded and the motion carried.

Full Board Action – Projects Approved by the Board of Regents Chair, funding designated

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects approved by the Board of Regents Chair on the attached listings. Mr. Rhoads seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, no; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, no; Dr. Tharpe, no and Mrs. Guess, yes. The motion carried by a vote of 8 to 3.

(See Attachments #6 and #7)

Designation of Funding for Waterfield Library HVAC Repairs and Water Intrusion Repairs, funding designated

On behalf of the Buildings and Grounds Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of \$1.1 million for the Waterfield Library HVAC and water intrusion repairs discussed earlier. Ms. Farmer seconded and the motion carried.

Full Board Action – Waterfield Library HVAC Repairs and Water Intrusion Repairs, funding designated

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of \$1.1 million for the Waterfield Library HVAC and water intrusion repairs. Mr. Rhoads seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

Designation of Funding for Enhanced Marketing Efforts for Fiscal Year 2018-19, funding designated

Ms. Dudley confirmed that funding is currently available for enhanced marketing efforts but the expenditure of those funds would most likely be incurred over a two-year period. The funds are coming from a source that had been designated by the Board in 2006 for the Univer project and these monies had not been earmarked for another project. Regent Payne expressed appreciation for the additional information provided by President Jackson as per his request. He is basing his decision today on the fact that if an investment is not made in marketing efforts for the University to turn the ship in the right direction in terms of enrollment then costs for students would eventually have to be raised. The Board should remember this in years to come when consideration is being given to raising tuition.

On behalf of the Finance Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, designate up to \$950,000 of unrestricted funding for the specific focused use of marketing for student recruitment efforts. Mr. Rhoads seconded and the motion carried.

Full Board Action –

universities in regard to the current Performance Funding Model. Dr. Morgan did a very good job representing the regional universities by outlining concerns with the Performance Funding Model and the unintended consequences which have resulted since its implementation. Many of the smaller schools are performing over the average but are still losing funding under the model as it is currently structured because it is based on volume and not rates of growth. Dr. Morgan also reported that six out of eight of the four-year university Presidents are new and there are many new Board members for the respective institutions since the model was first presented to the Legislature. Common consensus is that the Performance Funding Model should be revisited and reevaluated. Dr. Morgan also highlighted that state-mandated pension obligations rest solely with the regional, four-year universities and not the two research universities. Yet, in this model, the two research universities obviously gained the most in terms of funding. UK received \$9.1 million and UofL received \$2.5 million while these two institutions do not have the pension obligations that the other universities must address. The presentation the CPE gave to the Legislature showed that in terms of student success with underrepresented minorities earning Murray State and Morehead are actually outperforming three of the other regional universities but received less of the funding distribution. Morehead State received zero funding and Murray State received slightly over \$500,000. The other two universities that did not perform as well received significantly more. CPE President King was not able to fully answer why this occurred and instead focused discussion on equity funding and the way the universities have been previously funded not working for the future. It was clear that the CPE at this time does not want to change the Performance Funding Model in any way. It is also known that several legislators on the Committee are open to further discussion.

Regent Rhoads reported that the current Performance Funding Model will not be changed overnight and will likely be unfair and discussion occurred at the Retreat yesterday in this regard. The irony is that in terms of Student Success, Course Completion, Maintenance and Operations and Institutional and Academic Support, Murray State rates highly in all of these areas and outperforms most of the other public universities but was not rewarded because the formula is highly weighted on volume. An effort will be made to align with other universities to secure legislative support and periodic reports will be provided to the Board accordingly.

Marketing and Community Engagement Committee

Virginia Gray Chair
Sharon Green
Susan Guess
James T. Payne

The Marketing and Community Engagement Committee had no business to address and did not meet.

Personnel Changes

Contract of Employment Head Baseball Coach, approved

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Contract of Employment for Dan Skirka Head Baseball Coach for the period of July 12, 2018 June 30, 2021, at an annual salary of \$65,775, effective July 12, 2018. Mr. Kemp seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

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(See Attachment #8)

Salary Roster

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Salary Roster as of June 30, 2018, which includes new employment, retirements, resignations and terminations. Mr. Payne seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

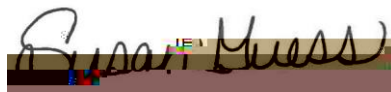
(See Attachment #9)

Policy Changes, approved

Board of Regents Policy Manual Section 1.1 Bylaws Revision First Reading

Supplemental Materials

Regents were provided with supplemental reports in the eBoard book, including the Quarterly Risk Management Report; Quarterly Status Report – Campus Major Projects Update; June 2018; Quarterly Branding, Marketing and Communication Report – April June 2018 and Sponsored Programs – Grants and Contracts Report. The Staff Regent Report was also included with the supplemental materials. The Litigation Status Report

A handwritten signature in black ink that reads "Susana Hues". The signature is written in a cursive style. Below the signature, there is a small, colorful graphic element consisting of several small squares in red, blue, green, and yellow.