

**Minutes of the Quarterly Meeting of the Board of Regents
Murray State University**

Audit and Compliance Committee – Office of Internal Audit – Summary of Presidential
Travel Report (For Information Only)
Finance Committee

Murray State over many years. Also recognized were Dr. Russ Wall, retired former Dean of the College of Education and Human Services and Dr. Eddie Adams, who helped build the Industry and Technology area at the University. All were asked to keep these families in their thoughts and prayers.

MSU Football Coach Dean Hood and his players and staff are gearing up to play spring football and this represents a new era for that sport. It has been over a year since the Football team has been able to play and Coach Hood was hired. The team is comprised of tremendous athletes and all are excited to watch them move forward. The University's Rifle program and Coach Alan Lollar are national leaders in their sport. They won the Ohio Valley Conference (OVC) and were recognized at the highest level nationally. Two students are national qualifiers. This has been one of the top athletic programs at Murray State for many years and that tradition continues. Both the men's and women's teams will participate in the OVC Basketball Tournament. For the first time in this institution's history, every sport is playing during the Spring Semester.

work is starting to pay off and appreciation was expressed to Cami Duffy, Executive Director of the Office of Institutional Diversity, Equity and Access/Title IX Coordinator/ADA-Section 504 Coordinator. The *Diversity Fellows* program has also been reinvigorated by Provost Todd and others for the recruitment and retention of URM faculty and staff. Two faculty members have agreed to lead the *Diversity Fellows* program. Appreciation was expressed to Provost Todd for his work in this regard. As part of the work of the Task Force, the *Mills Scholarship* has been updated through the work of Dr. SG Carthell, Executive Director of the Office of Multicultural

primarily due to the institution recording a decrease in expenditures for the pension estimate for the current year (\$23.1 million). The University's pension adjustment is recorded at the end of the year. Each quarter an estimation is made as to what the pension adjustment will be at the end of the year. This estimation is derived from an average of prior-year pension numbers and is then spread out by quarter for the current year, which resulted in reduced expenditures because the University's liability is predicted to go down. Last year the University's liability went down quite a bit because it was a good investment year and the Teachers' Retirement System performed very well – reducing the University's liability and resulting in a reduction in expenditures. The same is being forecast this year but the market is not in as good of a position and the University may not hit the market with this but it is recorded each quarter so there is not a big fluctuation at the end of the year. There are similar fluctuations with the Income Statement which are explained in the notes. The Income Statement is also trending up due primarily to the University receiving at the end of the year

Academic Program Review Update, received

Dr. Todd reported that approximately one year ago the CPE contracted with the data analytics company Gray Associates. There has been a mandate from the CPE for all the public universities in the Commonwealth to begin to utilize the same type of data metrics produced with regard to examining enrollments, cost, competition, demand and employment. In October 2020, faculty, staff and administrators participated in day-long workshops conducted by Gray Associates for training purposes. Outcomes from the workshop included potential new programs, categorization of existing programs to guide future planning, credit hour generation and cost of instruction data used to inform hiring requests and data on student demand and job growth.

Prior to these workshops, Murray State had submitted extensive financial and enrollment data for Fiscal Years 2016, 2017 and 2018. The data was analyzed by Gray Associates and the results were presented and discussed during the workshops. Academic Affairs uses enrollment data, potential employment and salary information and data from sources such as Gray Associates, Stamats and Burning Glass to evaluate current programs and plan for new programs. There are also internal metrics which are used. Dr. Fister utilized these metrics in creating very sophisticated pivot tables. This analytical tool is being utilized on faculty vacancy requests which allows the Deans, Chairs and Provost to provide very focused information to the President. Registrar Tracy Roberts has historically created sophisticated enrollment tables that the Deans and Chairs utilize. Appreciation was expressed to Dr. Fister and Ms. Roberts and the Deans and Chairs were complimented for participating in the training and beginning to utilize the data provided.

Dr. Pervine reported that a complete set of analytic tools are being developed to help run the academic side of the University. Program closures have been an issue with the CPE Board in

Athletics Committee

Eric Crigler – Chair

On behalf of the Athletics Committee, Regent Rhoads moved that the Board of Regents, upon the recommendation of the President of the University and the Director of Athletics, approve the Contract of Employment amendment for Murray State University's Head Women's Basketball Coach – Rechelle Turner

Mr. Saal reported that all 15 sports will be competing this spring. The OVC recognized that given the size of the staffs at the various institutions that non-traditional days of play needed to be considered and this is why the Football team – as well as other sports – will play on Sundays.

Adjournment

The Athletics Committee adjourned at 10:26 a.m.

Audit and Compliance Committee

Don Tharpe – Chair
Eric Crigler
Jerry Rhoads
Lisa Rudolph

Regent Tharpe expressed condolences to the family of Dr. Ed Adams who was one of his professors. He called the Audit and Compliance Committee to order at 10:27 a.m. and reported all other members were present.

Ms. Dudley reported that the University's Audited Financial Statements are prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton) – and address state and federal requirements. The Board annually reviews and takes action on the Audit Engagement Letter provided by the auditors.

Audit Engagement Letter, approved

Ms. Dudley reported that at its February 24, 2017, meeting, the Board of Regents approved the issuance of a contract to Dean Dorton Allen Ford, PLLC (Dean Dorton) for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2017, and further authorized the University to enter into six subsequent contract renewals based upon mutual consent. At its meeting on December 4, 2020, the Board of Regents approved the extension of the auditing services contract for the 2020-21 fiscal year. The cost for the 2020-21 contract, which is the first extension of the contract, is \$129,000.

In an effort to allow for a service contingency in the event added hours are needed due to changes in accounting guidance, federal/state tax laws, etc., the Engagement Letter includes up to 100 hours, not to exceed \$12,500 of additional fees. The Engagement Letter outlines the scope of work and parameters of the audit performed by Dean Dorton.

On behalf of the Audit and Compliance Committee, Regent Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the Engagement Letter for the June 30, 2021, audit by Dean Dorton as submitted. Regent Crigler seconded and the motion carried.

Full Board Action Audit Engagement Letter, approved

On behalf of the Audit and Compliance Committee, Regent Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Engagement Letter for the June 30, 2021, audit by Dean Dorton. Regent Owens seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

(See Attachment #2)

Adjournment

The Audit and Compliance Committee adjourned at 10:30 a.m.

graduate numbers, in addition to the great work of Matt Jones, Coordinator for Domestic Graduate Recruitment and Retention. Dr. Todd indicated that Graduate Coordinators in each of the departments also deserve credit for the increase in numbers in this area. The five programs identified by Academic

faculty and staff in their respective areas to identify faculty and staff who might be interested in

Also affecting the Fiscal Year 2022 budget will be the impact of the January 2021

institutional share and the student share of those dollars that became available to the University in December 2020. While some schools are distributing these funds already, they are taking a risk in doing so because compliance directions have not yet been provided by the Department of Education and this is presenting a challenge for the universities. These funds have been made available to the University but are still being held by the Department of Education. The University did not receive a big check in December. Such funding is always handled on a reimbursement basis. The timing relative to the third round of stimulus funding is almost the same as that utilized for the CARES funding provided in the first round. Lost revenue is the most important aspect the University hopes to be able to recover utilizing the new CARES funding.

A breakdown of federal funds awarded for COVID-19 was provided relative to student grants from federal CARES and CRRSAA funds totaling over \$6.2 million. Prior to the end of December, \$3.1 million was spent to reimburse students from the first round of funding received from the federal government. There was a like amount of federal funding received in December (\$3.1 million at minimum) and this will be provided to the students once more is known about how these funds can be spent. Institutionally, federal funds amount to slightly over \$18 million.

Technology enhancements needed to support teaching and learning have been identified and amount to \$655,160. These enhancements support the current environment but also help the University be prepared in a more traditional environment. Brian Verkamp, Chief Information Officer, helped develop a schedule in terms of how to utilize these funds and that information was presented. Mr. Verkamp reported that even though the University was able to move to remote learning within a very short timeframe last spring, gaps still exist in terms of technology needs. Technology to be able to work and learn remotely is key. Currently Waterfield Library has a laptop loaner program available for students, faculty and staff checkout. This was absolutely essential during the pandemic and still is but these machines are aging and need to be replaced. Fifteen additional long-term loaner laptops will be purchased to address various campus needs. An expansion of the Murray State Racerdesk (virtual computer labs) was also critically needed to allow students to access software from anywhere at any time and have the same virtual experience on campus as they would from home. Security is also enhanced by moving to a virtual desktop platform. Computers in student labs will be replaced in Waterfield Library and the Weaver Center. New equipment was also needed to connect to KY Wired, moving from a 10GB connection to 40GB internet speeds to campus for students, faculty and staff. These speed gains will impact on- and off-campus usage. An outdoor wireless expansion has also been planned for the north residential complex, intramural complex and the academic campus. A pool to fund technology needs to support online teaching and advising, working through Information Systems to ensure compatibility and support across campus, is being created. Allocation of funds will be based on student FTE for each college/school and there will be supplemental funding for the Faculty Development Center.

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

Annual Lease Report, accepted

Ms. Dudley reported that as per Item #16 of the Delegation of Authority, the Board is to approve University real property and facilities' leases under which 1) the University is the lessee if the annual rental is in excess of \$100,000 or 2) the University is the lessor of University real property or facilities and the lease has a non-cancellable term exceeding one year. No additional approval will be required if an approved lease is renewed pursuant to the same terms and conditions but the Board will be advised of any such renewal. A listing of 5(iver)5(sit) access software friuE1 Q(f)-

should be reviewed by the Board Chair and the President and a determination made in terms of those projects requiring further Board approval.

The following two schedules listing projects initiated since the last Board report were included in the eBoard book:

1. Projects with estimated costs of \$200,000 or less
2. Projects with estimated costs of over \$200,000, which were reviewed by the Board Chair and President.

Designation of project funding is obtained from the Board to allow the institution to report the funds as “board designated” in the quarterly financial reports and annual audit. This is not an exhaustive listing of projects under \$200,000 but those that have been started and not completed as of the report preparation date in order to designate funding. Two major projects include the Industry and Technology roof replacement (\$795,000 from the CERR pool) and the seating project for Lovett Auditorium (\$950,000 from private monies). Board approval means the University can move forward with these two projects.

On behalf of the Finance Committee, Regent Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects on the listing provided. Regent Crigler seconded and the motion carried.

Full Board Action Projects Approval, approved

On behalf of the Finance Committee, Regent Owens moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects on the attached listing. Regent Shemberger seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

(See Attachment #4)

Personal Services Contracts, approved

Ms. Dudley reported that Item #11 of the Delegation of Authority stipulates that the Board: “...approve all Personal Services Contracts totaling more than \$50,000. The Board will be notified of all Personal Services Contracts between \$10,000 and \$50,000 before they are submitted to the Legislative Research Commission. Upon review, individual Board members may request that these be held for approval at the next Board meeting.”

The contracts on the listing provided in the eBoard book require approval by the Board of Regents. The University is seeking approval for \$300,000 to engage an advisor to assist with the housing and dining public

listed in the document provided per requirements of the Delegation of Authority Item #11.
Regent Rhoads seconded and the motion carried.

Full Board Action Personal Services Contracts, approved

On behalf of the Finance Committee, Regent Owens moved that the Board of Regents, upon the recommendation of the President of the University, approve the Personal Services Contracts as listed in the attached document per requirements of the Delegation of Authority Item #11.

Regent Schooley seconded and the roll was called with the following 912 0 612 1008 reWnment per requirement

reauthorizations approved before it can move forward with any potential P3 opportunity. A great deal of time has been spent ensuring funding priorities are listed correctly so they can be included in the final budget.

The University fully supports the Council on Postsecondary Education's asset preservation state bond request. This would provide Kentucky's postsecondary education institutions with state bonds to address some of the large-scale facilities renovation projects that no higher education institution has the money to fund right now. The CPE has surveyed all Kentucky public postsecondary education institutions and identified over \$7 billion in unmet deferred maintenance needs that exist. Legislators are reminded that the facilities on the various campuses are also state assets.

Pensions have taken up a great deal of time during the Legislative Session and have represented a primary focus. TRS and KERS pension rates, as well as the performance funding bill, have been part of continued discussions.

revised survey instrument as presented as part of the annual Presidential Evaluation Process. Regent Owens seconded and the motion carried unanimously.

Adjournment

Policy Changes

Board of Regents Policy Manual New Section 2.24 Minors on Campus (second reading), approved

President Jackson reported that in 2020, he appointed a committee to develop a policy outlining the University's requirements for programs in which minors participate. The focus of the policy developed was youth programs and their oversight. Examples of applicable programs are summer and athletic camps and youth tournaments, band camps, Festival of Champions, Quad State Festivals, youth rodeos, Future Business Leaders of America conferences and academic summer programs (i.e., Commonwealth Honors Academy, Governor's Scholars Program, Governor's School for the Arts). This policy does not apply to public events in which minors may attend (i.e., Fall on the Farm, Shakespeare Festival and theatrical performances). This policy was presented to the Board as a first reading at the December 2020 Quarterly Meeting and this represents the second reading.

Regent Shemberger moved that the Board of Regents, upon the recommendation of the President

Other Business/Adjournment

Regent Owens reported that on March 21, 2021, prior to the football contest against Tennessee State, the University will be dedicating the *Dennis Jackson Racer Room* in Roy Stewart Stadium. Mr. Jackson was the first Black athlete at Murray State and participated at a high level in Football and also Track and Field. Appreciation was expressed to President Jackson, Director of Athletics Saal and others involved in making this honor happen. Mr. Jackson is a humble and quiet man and has had a life full of service, not only to the community but also to Mur0.0BT/Fy but aup0 612 10



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