

Minutes of the Board of Regents Annual Retreat

annual and four-year reviews – was formalized in 2008 and has not been changed since that time. The Committee makeup will be announced publicly once finalized and any resulting changes needed relative to the presidential evaluation process will be addressed at the December Quarterly Board Meeting.

Report of the President

Dr. Jackson welcomed Regent Norman to the Board of Regents. He has enjoyed working with Mr. Norman as a member of the Student Government Association and looks forward to continuing to do so in his capacity as President. All wish him well. Dr. Jackson highlighted the following:

- Ø The residence hall move-in process was successful and the second week of classes has now concluded. Appreciation was expressed to faculty, staff and students who dedicated their time and efforts to ensuring a successful start to the 2020 Fall Semester.
- Ø Over the past several months Murray State has utilized guidance provided by the Centers for Disease Control (CDC) and advice from over 200 University administrators, healthcare professionals from Frankfort and at the local level, faculty and staff, etc. to formulate the Racer Restart Plan. For the last several weeks the University administration has spent a great deal of time meeting with students and their families to discuss ways to keep the broader community safe and healthy.
- Ø As part of the Racer Restart initiative the University administration held meetings with student, faculty and staff groups, as well as off-campus entities. Information is regularly being conveyed to student groups and others and a Town Hall and a Symposium with new faculty have been held. Facebook Live sessions have been offered and plans are being developed to allow the University to pivot when/if needed. Adherence to the Racer Safe and Healthy Guidelines is crucial and non-compliance with the mask or face covering mandate on campus can now include disciplinary action, up to and including suspension. Chair Rhoads also sent an email to campus on behalf of the Board encouraging everyone to adhere to University guidelines in order to remain safe and healthy. All messaging has been shared with the Board to keep members apprised of efforts which are underway to keep campus as safe and healthy as possible given the current environment.
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Ø A sample of the new Murray State license plate which will be available in early 2021 was also provided.

On behalf of the Board, Regent Crigler expressed appreciation to President Jackson who has provided steadfast leadership during the past many months. He and his team are to be commended for the Racer Restart Plan which has been developed. Appreciation was also expressed to faculty and staff who have continued to maintain contact with students. Due to the work that has been undertaken, the University is able to offer more in-person classes than many other institutions and this will impact the experience students have at Murray State for the 2020 Fall Semester. Chair Rhoads added that Murray State has set the pace in this regard and President Jackson has been recognized as a leader among the public university Presidents. President Jackson recognized Jordan Smith who serves as the University's state-designated safe and healthy officer, indicating his efforts are also appreciated.

into Closed Session. The Attorney General of the United States and the courts are trending toward openness and the University must be prepared to apply an exemption to go into Closed Session correctly. A quorum for the Murray State Board is six members.

- Ø A public agency refers to any body created by the Board for the purpose of conducting public business – such as any Committees – whether standing or created for a specific purpose (ad hoc) and those would be subject to the requirements of the Open Meetings Act. Public business is defined as anything the Board would discuss for which there is an alternative to the extent it is related to the University.
- Ø The general requirements of the Open Meetings Act include that the time and place for meetings be posted in a public location, minutes must be maintained and the public be allowed to attend. The news media is also allowed to attend and record the meetings. There are specific requirements for Special Meetings as well, including there must be an agenda and the Board must strictly follow that agenda with no deviation.
- Ø Commonly used exemptions to the Open Meeting Act include real property discussions; pending litigations; discussions which might lead to the appointment, dismissal or discipline of an employee or student and bids from contractors. General personnel matters cannot be discussed privately and there is a growing body of law dealing with this particular exemption, especially relative to local school boards.
- Ø Agencies cannot participate in stringing, meaning discussions cannot be held with two or three members of the Board at a time and then with a separate two to three members, etc. to discuss public business because eventually this will create a quorum.
- Ø During a state of emergency, the Board has flexibility to hold its meeting by alternative means such as what is being done today via ZOOM. There are ordinarily different rules in place to have a meeting via videoconference but those have been relaxed during the pandemic.
- Ø The Attorney General will be asked to opine on any appeal to the Open Meetings Act.

entire University community. Support is also provided to both parties to any Title IX matter in terms of access to counseling, health services, campus police, assistance with class scheduling, etc.

- Ø The Board has been a proponent of Title IX compliance and has demonstrated a commitment to ensuring all understand they cannot hold information they

- Ø Testing, quarantine and contact tracing guidelines have been established in conjunction with the Health Department and MSU Health Services. These guidelines continue to evolve as additional information becomes available.
- Ø Appreciation was expressed to Executive Director of Auxiliary Services David Looney and Dr. Robertson for their efforts with regard to housing, dining and auxiliary services on campus and helping to develop and implement the recommended guidelines.
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has a positive COVID-19 case for a student, faculty or staff member reports that to the Health Department which is then reported on the University's website. Confirmation was provided that any case of a student on campus testing positive is addressed immediately. The positivity rate for the county is known as best as possible but not individually for Murray State because there

any particular year is 2 percent. This year, even though Murray State's metrics were very high in a number of categories, the University – and all other universities except two – lost up to that 2 percent to the Performance Funding Pool. Those funds were then aggregated and redistributed through the Performance Funding Model. Only two larger institutions received more than two percent back than what they gave up while others lost the entire 2 percent.

Dr. Fister outlined the following:

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implications or the “fiscal cliff” for the three institutions that are losing under the current structure if the model does not change. Confirmation was provided that the CPE is running different models to determine where opportunities exist. All institutions are concerned – even those that are benefitting – because they know there is no inherent fairness in the Performance Funding Model as it is currently structured. Clarification was provided that specific metrics and weighting are not written in statute but are directed by the CPE. Kentucky is the only state in the nation to put a Performance Funding Model in place with no new monies. Based on this factor alone, good results cannot be expected.

In terms of whether there has been discussion about placing the comprehensive universities in a separate pool, Dr. Jackson confirmed that has been considered. The overall issue is that without new money the Performance Funding Model still won't work. If the comprehensive universities, the two research institutions and the Kentucky Community and Technical College System have three separate pools, then one of the research universities loses and there is concern in this regard. Murray State would still not be the largest university within its own group and the bigger institutions would continue to receive more funding even though their metrics may not be as positive. In addition to no new money, the other larger issue is the weighting of the metrics which amounts to a volume-

- Ø Work is underway to expand the number of faculty with credentials in Quality Matters, a certificate initiative where monies from the MSU Global account have been utilized to advance online development. Most of these faculty members are Online Champions who support two or more online initiatives on campus, as well as other faculty who have participated in this development opportunity.
- Ø Gray & Associates is the third-party entity that the CPE has contracted with to conduct an overall analysis of the available suite of programs at the public comprehensive universities in Kentucky. The data being provided is utilized but in many cases is broad and sometimes overwhelming. Murray State meets with Gray & Associates in October and that is when the University will be able to get a better sense of how to fine tune its online offerings.

Southern Association of Colleges and Schools Commission on Colleges Accreditation Update

Dr. Pervine reported that Murray State's institutional accreditation is through the Southern Association of Colleges and Schools Commission on Colleges. Murray State is required by the federal Department of Education to maintain institutional accreditation in order to have access to federal student aid. The University must be accredited to be able to offer financial aid to students and for that reason alone is not optional. At the heart of SACSCOC's philosophy of accreditation, the concept of quality enhancement assumes that each member institution is engaged in ongoing improvement of its programs and services and can demonstrate how well it fulfills its stated mission. In the next couple of years, the Board will begin hearing about Murray State's Quality Enhancement Plan (QEP). One component of the institution's accreditation requires the creation and implementation of a QEP. The last Quality Enhancement Plan was "Bring Learning to Life" which emphasized the importance of hands-on learning. This

Finance and Administrative Services

Fiscal Year 2020-21 Budget Overview

Ms. Dudley provided a budget overview for Fiscal Year 2020-21 (FY21) with the following highlights:

- Ø Fiscal Year 2019-2020 (FY20) was challenging for the University financially and in many other respects. All units had to pull together in order to have a desirable financial outcome and many difficult decisions had to be made. Overall, even utilizing the budget contingency of \$2 million, net tuition and fee revenues were short of budget by over \$800,000 which was predicted based on several indicators. This represents less than 1 percent of the University's total Education and General (E&G) budget.
- Ø Net position refers to net assets or the University's overall balance and at June 30 (pre-audited) was slightly over \$24 million. At the beginning of the year the E&G fund had a negative net position of \$181 million due to the pension liability. Although the \$24 million to the positive has brought the net position total down to \$157 million negative, the overall financial statements reflect a negative net position. This is due to year-end pension adjustments of \$21 million that the University has been required to make on its financial statements for a number of years. The University must cover its proportional share of the state's pension liability which is calculated from their audits and recorded in the financial statements. The \$21 million this year was a decrease in the liability or, in essence, a decrease of expenditure. This is why the University's net position went up. The \$21 million represents a financial statement entry and is not supported with cash or funds that can be used elsewhere. It is simply a book entry but it does impact the University's net position and the way the

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- Possible mid-year state appropriations reduction not budgeted;
 - 2 percent reduction in state appropriations due to performance funding budgeted and
 - No federal stimulus funds budgeted.
- Ø FY21 primary financial risk factors include:
- Continuing impact of the COVID-19 pandemic;
 - Possible mid-year appropriations reduction; -
 - Enrollment;
 - Not completing the 2020 Fall Semester as planned;
 - No federal stimulus funding to universities and/or states and
 - Market performance for future deferred maintenance and scholarship funding.
- Ø Fiscal Year 2022 (FY22) primary risk factors include:

- Ø A chart was presented illustrating the dramatic increase in the University's KERS non-hazardous pension contribution rate on a percentage basis. In Fiscal Year 2008, Murray State paid 8.5 percent into the state pension system per payroll dollar for each employee. For FY20, the University paid 49.47 percent and continues to do so in the current fiscal year. This contribution rate is expected to increase even further in subsequent years.
- Ø The Teacher's Retirement System (TRS) is in a much different position than KERS and has been able to manage with much lower employer contribution rates.
- Ø A chart was presented illustrating the increase in the University's contribution in dollars which significantly impacts the financial statements. While there was initially a sharp increase in contribution dollars, that amount has decreased slightly over the past few years – not because rates are going down but because institutions are making decisions to remove positions from the KERS system. Examples at

Major Facilities Projects Update

Ø The West Farm Equine Shelter and the Waterfield Library Makerspace area renovations are both

populations to provide personalized attention that makes a significant difference relative to recruitment success.

New Enrollment and Yield Marketing Strategies for 2020-21

Dr. Robertson and Mr. Smee outlined new enrollment and yield marketing strategies for 2020-21. This represents a very different recruiting process due to pandemic restrictions and the inability to visit Kentucky schools in person. Different strategies are being developed to address these challenges for the 2021 Fall Semester and this work includes taking into consideration how other universities are handling the same issues. High School Guidance Counselors have proven to be invaluable as this process has unfolded. Virtual appointments have also been tailored to meet the needs of students and their families. The University's partnership with EAB has been invaluable in terms of development of the virtual campus tour and further enhancing the communications flow with participants. Individual, in-person visits are also being offered where feasible and the Racer Roadshow initiative will be tailored to accommodate a virtual format.

2020 Fall Semester Campus and Student Activities Report

Dr. Robertson outlined 2020 Fall Semester campus and student activities and programming that will be offered while adhering to safety guidelines.

Chair Rhoads commended Dr. Robertson and the entire team with regard to enrollment and retention efforts during this challenging environment. The Board is truly appreciative of their efforts.

Athletics

- Ø The Institute of Engineering also tries to respond to the needs of the region and began producing face shields in March based on need as identified by local hospitals. To date, approximately 5,000 face shields have been provided to the region – and even outside the region.
- Ø The Cybersecurity Network Management program has been accredited by the National Security Agency within the last six months.
- Ø Major successes for the Institute of Engineering include graduates receiving internships and jobs and Murray State Engineering and Physics undergraduate students are attending graduate school at universities such as Stanford, Vanderbilt and Auburn.
- Ø Future economic efforts will continue to have a regional impact by maintaining close relationships with local industry. Enrollment growth is expected but only with a continued investment in program development and attracting more faculty. Additional engineering programs being considered were

