

AGENDA BOOK
Board of Regents



MEETING SCHEDULE

**Thursday, December 16, 2004
Adron Doran University Center**

8 a.m.	Audit Committee Meeting	Riggle Room
9 a.m.	BOR Meeting	Riggle Room
Following Meeting	Commission Ceremony	Space Science Satellite System Ridge Top
Following Ceremony	Lunch	Heritage Room

Members, Morehead State University Board of Regents

James H. Booth (*Chair*)

Helen C. Pennington (*Vice Chair*)

Gene Caudill (*Staff Member*)

Jean Dorton

Sylvia L. Lovely

Jason Marion (*Student Member*)

John C. Merchant

Dr. Charles H. Morgan Jr. (*Faculty Member*)

Dr. John D. O'Cull

Jill Hall Rose

Jerry W. Umberger

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**Board of Regents Meeting
Morehead State University
Riggle Room – Adron Doran University Center
9 a.m., Thursday, December 16, 2004**

Agenda

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVE MINUTES OF SEPTEMBER 3, 2004, OCTOBER 14,15, 2004, NOVEMBER 8, 10, 12 & 18, 2004
- IV. APPROVE RECOGNITION OF EAGLINS – *Awarding of Honorary Doctoral Degrees; Naming of Space Science Center; and Granting of Sabbatical Leave and Emeritus Status*
- V. ADOPT RESOLUTIONS HONORING CHERELLE LAMPKINS AND CRAIG UNGER
- VI. APPROVE FACULTY RANK/TENURE FOR NEW PRESIDENT
- VII. RECOMMENDATIONS AND REPORTS

- A. Recommendations
 - 1. Approve 2004 Winter Graduates 1
 - 2. Approve Sabbatical Leaves 2
 - 3. Approve Educational Leave 3
 - 4. Approve Personnel Actions 4-30
 - 5. Authorize Capital Project for President’s Home 31-32
 - 6. Accept 2003-04 Audit Report and Amend Operating Budget 33-37
 - 7. Accept First Quarter Financial Report and Amend Operating Budget 38-48
 - 8. Approve New Personnel Policy PG-59, Return to Work Program for Occupational Illness or Injury; Approve Revision of PG-27, Workers’ Compensation; and Approve Revision of PSNE-3, Overtime Pay for Employees Classified as Staff Nonexempt 49-59
 - 9. Approve Endowment Match Program Submission 60-61
 - 10. Adopt Non-Resident Tuition Policy 62-66
 - 11. Confirm Board Members and Approve Operating Agreement, Friends of Kentucky Center for Traditional Music, Inc. 67-70

- B. Reports**
1. Final Report on 2004 Fall Enrollment.....72
 2. Report on 2005 Health Insurance.....73-74
 3. Strategic Projects Briefing: RI²SE and MSUnplugged.....75-78
 4. Report on Personal Service Contracts.....79-80
 5. Gift Income Reports.....81-82

VIII. OTHER BUSINESS

A. Disciplinary Appeal

B. Meetings for Calendar Year 2005

First Quarter

February 17 (Work Session)

March 10 (BOR Mtg.)

Second Quarter

May 12 (Work Session)

June 9 (BOR Mtg.)

Third Quarter

August 25 (Work Session)

September 15 (BOR Mtg.)

Fourth Quarter

November 17 (Work Session)

December 15 (BOR Mtg.)

C. Presentation of Resolution to Former Board Chair, Buckner Hinkle Jr.

D. Spotlight Presentation—Space Science Center

IX. ADJOURNMENT

*Following adjournment, the Regents will move directly from the meeting to the ridge top for the “First Light” ceremony to commission the new space tracking system. In the event of snow or freezing weather, the ceremony will take place at the space science operations building in Lakewood Terrace.

Immediately following the ceremony, the Board members will be transported back to the ADUC for lunch.

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
September 3, 2004**

The Board of Regents of Morehead State University met at 10 a.m. on Friday, September 3, 2004, in the Riggle Room of the Adron Doran University Center. Chair James H. Booth presided.

ROLL CALL

The following members were present: James H. Booth, Gene Caudill, Jason Marion, John Merchant, Dr. John D. O'Cull, Helen Pennington, and Jerry W. Umberger. Jean Dorton, Sylvia Lovely, Dr. Charles H. Morgan Jr., and Jill Hall Rose were unable to attend.

**JUNE 11 AND
JULY 13, 2004
MINUTES**

Mr. Umberger moved that the minutes of the June 11, 2004, quarterly meeting and the July 13, 2004, special meeting be approved as distributed. Mr. Caudill seconded the motion. The motion carried.

**RESOLUTION
HONORING
BUCK HINKLE**

Dr. O'Cull moved that the Board adopt the Resolution of Commendation for Buckner Hinkle Jr. Ms. Pennington seconded the motion. The motion carried.

(Resolution of Commendation for Buckner Hinkle Jr. attached to these minutes and marked IV)

Chair Booth stated that he would present the Resolution of Commendation to Mr. Hinkle at a future meeting.

MEDIA

Pauline Young, Director of University Communications, introduced the following media representatives attending the meeting: Kirby Haskins, *The Trail Blazer*, Kim Hamilton, *The Morehead News*, and Charles Compton, Morehead State Public Broadcasting.

**SPOTLIGHT
PRESENTATION
ON ACCOUNTA-
BILITY**

Michael R. Moore, Provost and Executive Vice President, made the spotlight presentation on "University Accountability." In his presentation, he described four levels of assessment (university, college, academic department/program, and individual faculty member) and gave examples of internal and external measures of accountability. One of the external assessment agencies that Dr. Moore discussed in his presentation was the Kentucky Council on Postsecondary Education (CPE). The Council has established five goals to measure progress toward postsecondary education reform. These goals were developed to help all of Kentucky's public universities to answer five critical questions:

- Are more Kentuckians ready for Postsecondary Education?
- Are more students enrolling?
- Are more students advancing through the system?

**PRESIDENT'S
RECOMMENDA-
TIONS***University Center of
the Mountains*

- Are we preparing Kentuckians for life and work?
- Are Kentucky's communities and economy benefiting?

He noted that the University had recently issued its second annual report card measuring progress in meeting the performance goals related to CPE's key indicators of progress. Dr. Moore gave each Board member a notebook containing materials on each level of assessment.

The President recommended:

RECOMMENDATION: That the Board adopt a resolution ratifying the participation of Morehead State University as a partner in the University Center of the Mountains.

(Background Information Concerning the University's Participation as a Partner in the University Center of the Mountains attached to these minutes and marked VI-A-1)

President Eaglin stated that the University Center of the Mountains is a collaboration of partnering postsecondary education institutions for the purpose of increasing opportunities to obtain selected undergraduate and graduate degrees and professional certifications that address lifelong learning, economic and workforce needs, and community development within the Kentucky River Area Development District.

The Memorandum of Agreement requires that the respective boards of each college/university and community college adopt a resolution authorizing each entity to participate as a partner. The founding partners include the following:

- Morehead State University
- Eastern Kentucky University
- Hazard Community & Technical College
- Kentucky Community and Technical College System

Dr. Moore noted that the University has committed approximately \$120,000 to participate this year with the understanding that the partners will try to secure state funding for the future of the program.

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

VOTE: The motion carried.

Personnel Actions

The President recommended:

RECOMMENDATION: That the Board ratify the Personnel Actions for the period May 24, 2004, through August 13, 2004.

Roger Barker, Director of Human Resources, stated that during the period May 24, 2004, through August 13, 2004, there were 13 retirements and 2 resignations.

(List of Personnel Actions and background information attached to these Minutes and marked VI-A-2)

MOTION: Mr. Umberger moved that the Board approve the President's recommendation. Mr. Merchant seconded the motion.

VOTE: The motion carried.

The President recommended:

Rex Chaney Golf Academy

RECOMMENDATION: That the Board approve naming of the Rex Chaney Golf Academy at Sunny Brook Golf Course and authorize its designation as an affiliated facility of "The First Tee" golf program. That the Board also approve naming of Davis Practice Course and Gene Caudill Drive on the same property.

(Additional background information attached to these minutes and marked VI-A-3)

President Eaglin stated that the University has an opportunity to bring "The First Tee" program to the campus. This program, which was developed by the PGA, helps young people from disadvantaged backgrounds to learn some important values such as respect, responsibility, honesty, courtesy, integrity, judgment, confidence, perseverance, and sportsmanship. As part of the requirements to secure the \$100,000 grant to host the program, it became apparent that the University would have to seek external funds to create a golf instructional complex for the program.

At the same time, this program also provides an opportunity to honor a veteran golf coach, Dr. Rex Chaney, by naming the golf instructional complex that would host "The First Tee" program in his name. This facility will be accessible via a new road built on land donated to the University by Gene Caudill and will include the three-hole Davis Practice Course, a driving range, an indoor instructional center and other facilities for the teaching of golf.

Keith Kappes, Vice President for University Relations, noted that this recommendation also includes naming of the Davis Practice Course and Gene Caudill Drive.

Eagle Park

MOTION: Ms. Pennington moved that the President's recommendation be approved. Mr. Umberger seconded the motion.

VOTE: The motion carried with Mr. Caudill recusing himself from voting.

The President recommended:

RECOMMENDATION: That the Board approve naming of Eagle Park.

(Additional background information attached to these minutes and marked VI-A-4)

Mr. Kappes stated that the University purchased real estate formerly known as White's Mobile Home Park in 2002 in order to provide recreational space for students and to allow for future expansion of the nearby Wellness Center. To efficiently manage this property, it is necessary to assign an appropriate name to the property. In view of the property's proximity to Breathitt Sports Center, home of the University's intercollegiate athletic programs, it is proposed that the property be identified as Eagle Park.

MOTION: Dr. O'Cull moved that the Board approve the President's recommendation. Mr. Caudill seconded the motion.

VOTE: The motion carried.

FKFAC

The President recommended:

RECOMMENDATION: That the Board confirm the appointment of four new and two returning members of the Board of Directors of the Friends of the Kentucky Folk Art Center, Inc.

(Additional background information attached to these minutes and marked VI-A-5)

Mr. Kappes stated that under provisions of state law, Friends of the Kentucky Folk Art Center, Inc. (FKFAC), was declared an affiliated corporation of Morehead State University by the Board of Regents in September 1998. As a result, the Board of Regents must confirm the appointment of members of the FKFAC Board of Directors. At its meeting in April 2004, the FKFAC Board appointed the following four new board members: Larry Poe of Maysville and Monica Pipia, Roberta Harding and Sheila Kalas of Lexington. The Board reappointed Marilyn Leeper Payson of Pikeville and Bradley Collins of Morehead. Mr. Kappes noted that these are volunteers who assist in fund raising, solicit gifts of art work, and assist with other activities of the Folk Art Center.

MOTION: Mr. Caudill moved that the Board approve the President's recommendation. Mr. Marion seconded the motion.

VOTE: The motion carried.

PRESIDENT'S REPORTS

Following a five-minute recess, the Board resumed its meeting and received the President's Reports.

Personal Service Contracts

Michael Walters, Vice President for Administration and Fiscal Services, reported on Personal Service Contracts issued with amounts greater than \$10,000 between May 27, 2004, and August 10, 2004. (*List of Personal Service Contracts attached to these minutes and marked VI-B-1.*)

Real Property Leases

Mr. Walters reported on lease agreements in effect on July 1, 2004. (*List of Real Property Leases attached to these minutes and marked VI-B-2.*)

Fair Labor Standards Act

Mr. Walters reported on the U.S. Department of Labor's (DOL) new exemption regulations under the Fair Labor Standards Act (FLSA) that became effective on August 23, 2004, and the impact of these revisions on Morehead State University. He indicated that the University's exempt employee category most affected by the new DOL regulations is in the administrative exemption. The Office of Human Resources reviewed all exempt job descriptions and made a preliminary determination regarding each position's continued eligibility for the exemption. The list was then sent to the law firm of Sturgill, Turner, Barker and Maloney, where the positions were reviewed by an attorney specializing in labor law. Of the 122 positions submitted to the consultant, 75 positions were determined to no longer qualify for the administrative exemption to overtime provisions. As a result, the wages of employees who are no longer eligible for the overtime exemption will be converted to an hourly wage equal to his or her current annual salary.

Mr. Marion stated that he knew several employees who were impacted by the new regulations. These employees had always worked more than 40 hours a week just as a personal commitment to the institution. Discussion followed on the affect these new regulations would have on the morale of these employees.

Mr. Walters stated that any changes in the current employee classification system as a result of the revised FLSA regulations will be presented to the Board at a future meeting.

Gift Income Report

Barbara Ender, Vice President for Development, presented a comparison report on gift income for fiscal years 01-02, 02-03, and 03-04 and reported on gifts of \$10,000 or more that have been received and/or recorded since June 1, 2004, on behalf of the University. This included a \$1 million gift from the Paul and Lucille Caudill Little Charitable Trust.

***Preliminary Fall
2004 Enrollment
Report***

Ms. Ender also reported that the Foundation is nearing the milestone of \$25 million which is a goal set by Dr. Eaglin and they are confident they will reach it before his retirement.

Dr. Moore reported on 2004 Preliminary Fall Enrollment. In his report, he noted that preliminary enrollment figures as of September 2, 2004, showed 8,675 students enrolled compared to final enrollment figures of 9,509 last year, which was a 1.3 percent increase over the previous 2002 fall semester. However, Dr. Moore stated that his projection is that we are going to come in about 9,400, which is a 1.1 percent decline. MSU's enrollment decline is predominately with first-time freshmen. We have had serious discussions concerning the factors contributing to our declining enrollment and the shrinking population in MSU's service region. He noted, however, that more students are taking more hours at the off-campus centers and becoming full-time students.

***CPE Request for
Grades & Financial
Information***

Jane Fitzpatrick, General Counsel, reported that the Council on Postsecondary Education (CPE) has requested that all institutions send the final semester grades for all students to the CPE. In addition, CPE informed the institutions that they will be requesting financial aid information on students, as well as the financial information submitted by their parents. The Registrar, Director of Institutional Research and Computer Applications, the General Counsel and other administrators have concerns regarding the legality of releasing the records under the Family Educational Rights and Privacy Act (FERPA), as well as fundamental personal privacy concerns. President Eaglin discussed the ramifications of releasing such information and the course of action the Board may wish to take. Following discussion, it was agreed that MSU would not release students' grades or financial information to the CPE.

***New Chairs of Staff
Congress & Faculty
Senate***

President Eaglin introduced Mr. David Jessie, Assistant Building Services Superintendent, who will serve as chair of Staff Congress and Dr. Terry Irons, Associate Professor of English, who will serve as chair of the Faculty Senate during the 2004-05 year.

Chip Smith Leaving

President Eaglin announced that Chip Smith, Director of Athletics, was leaving to accept a position as Athletic Director at the University of Western Carolina. Brian Hutchinson, a former student member of the Board, who has been serving as MSU's Associate Athletic Director, will serve as the interim Athletic Director.

***Technology
Initiatives***

President Eaglin reported on two technology initiatives, AIMS Replacement Project and Student Wireless Project, which the University is planning to implement in the near future.

The Student Wireless project is an initiative to move our students toward a portable computing environment using wireless technology. For the 2004 fall

semester, faculty members were given an opportunity to exchange their desktop computers for a portable device so they could get hands-on experience with the technology. More than 80 percent selected a portable computer. Plans are to implement this project in fall 2005.

The second project is the Reengineering of our Institutional Information Systems Environment. Our current technology system (AIMS) for automation of our academic and administration processes has been in place for more than 22 years. While this system has served us well, the best long-term strategy for the institution is to retire AIMS and invest in a business partner that can provide an application that is built for higher education using state-of-the-art technology tools.

Additional information will be provided on each project at a future Board meeting.

***State Economic
Development
Initiative***

President Eaglin also discussed the state's economic development effort, which is being spearheaded by Jim Host, Secretary of Commerce. Secretary Host has challenged the institutions to come up with new and imaginative proposals to use research and other resources of higher education to grow the state's economy. MSU is planning to submit five proposals that can have economic impact on the institution and region. These include proposals relating to small business development, space science, cultural heritage tourism, and the beef industry.

President Eaglin reminded the Board of the following upcoming events:

- Family Weekend – September 17-18
- CPE Trusteeship Conference – September 19-20 in Bowling Green
- Homecoming – October 22-23
- Winter Commencement – December 18

**EXECUTIVE
SESSION**

Chair Booth stated that the Board needs to go into executive session for the purpose of discussions that may lead to the appointment, discipline, or dismissal of an individual employee or student. No formal action will be taken, and the Board will return to open session following the closed session. Mr. Umberger moved that the Board go into executive session. Ms. Pennington seconded the motion. The motion carried.

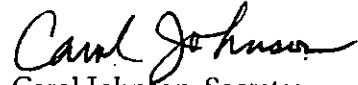
OPEN SESSION

After returning to open session, Chair Booth stated that no action had been taken. He reminded the Board that the next work session will be held on November 11, 2004, and the regular quarterly meeting on December 17, 2004.

ADJOURNMENT

There being no further business to conduct, Ms. Pennington moved that the meeting adjourn at 1:25 p..m. Mr. Merchant seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
October 15-16, 2004**

The Board of Regents of Morehead State University met in a special called session at 7 p.m. on Friday, October 15-16, 2004, at the Marriott Griffin Gate in Lexington, Kentucky. The purpose of the special meeting was to consider applicants for the presidency of Morehead State University.

Call to Order

The Chair of the Board, James H. Booth, presided and called the meeting to order.

Roll Call

Upon request of the Chair, the Secretary called the roll. The following members were present:

Mr. James H. Booth, Chair
Mr. Gene Caudill
Ms. Jean Dorton
Mr. Jason Marion
Mr. John Merchant
Dr. Charles H. Morgan Jr.
Dr. John D. O'Cull
Ms. Helen Pennington
Ms. Jill Hall Rose
Mr. Jerry Umberger

A quorum was present. Ms. Sylvia Lovely was unable to attend.

***Report from
Presidential
Search
Committee***

Chair Booth received the report from the Presidential Search Committee recommending that the following six individuals be considered for the presidency of Morehead State University:

1. Dr. Wayne D. Andrews
2. Dr. Gary S. Cox
3. Dr. Peter S. Hoff
4. Dr. G. Edward Hughes
5. Dr. Aaron Podolefsky
6. Dr. Marcellette Williams

Dr. Morgan moved that the Board accept the recommendation of the Presidential Search Committee. Ms. Pennington seconded the motion. The motion carried.

Chair Booth stated that on behalf of the Board of Regents and our entire University community, he sincerely thanked the members of the Presidential Search Committee for

their diligence and hard work in helping us find the next President of Morehead State University.

The committee has recommended that six highly qualified individuals remain under consideration by the Board of Regents, and we will continue that process immediately.

This select group of candidates was screened from more than 100 names which came before the search committee at various times over the last several months.

Chair Booth stated that he was pleased that we are on schedule in the search process, and that he was confident that our new president will be selected following campus visits next month.

Executive Session

Chair Booth asked for a motion to go into closed session to consider the six candidates pursuant to KRS 61.810(f), which provides that discussions that may lead to the appointment of an employee may be held in executive session. He stated that no action would be taken in closed session. Mr. Merchant moved that the Board go into executive session. Ms. Pennington seconded the motion. The motion carried.

Open Session

The Board returned to open session at 5:30 p.m. on Saturday, October 16, 2004.

Finalists in Presidential Search

Mr. Merchant moved that the Board of Regents invite the following three candidates to visit the University as finalists in the presidential search process:

1. Dr. Wayne D. Andrews
2. Dr. Peter S. Hoff
3. Dr. G. Edward Hughes

Mr. Umberger seconded the motion. The motion unanimously carried.

Adjournment

There being no further business to conduct, Mr. Umberger moved that the meeting adjourn at 5:45 p.m. Ms. Pennington seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
November 8, 2004**

The Board of Regents of Morehead State University met in special session at 7 p.m. on Monday, November 8, 2004, in the Heritage Room of the Adron Doran University Center in Morehead, Kentucky. Chair James H. Booth presided.

Roll Call

On roll call, the following members were present: James H. Booth, Gene Caudill, Jason Marion, Dr. Charles Morgan Jr., Dr. John D. O'Cull, Helen Pennington, and Jerry Umberger. Jean Dorton, John Merchant, Sylvia Lovely, and Jill Hall Rose were unable to attend. A quorum was present.

Executive Session

Chair Booth called the meeting to order and opened the floor for a motion to go into executive session pursuant to KRS 61.810(f), which provides that discussions that may lead to the appointment of an employee may be held in executive session. He said that no formal action will be taken in the closed session and that the Board will return to regular session prior to adjournment.


Open Session

The Board returned to open session at 9:10 p.m.

Adjournment

There being no further business to conduct, Mr. Caudill moved that the meeting adjourn. Mr. Marion seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
November 10, 2004**

The Board of Regents of Morehead State University met in special session at 7 p.m. on Wednesday, November 10, 2004. Chair James H. Booth presided.

Roll Call

On roll call, the following members were present: James H. Booth, Gene Caudill, Jason Marion, John Merchant, Dr. Charles Morgan Jr., Dr. John D. O'Cull, Helen Pennington, Jill Hall Rose, and Jerry Umberger. Jean Dorton and Sylvia Lovely were unable to attend. A quorum was present.

Executive Session

Mr. Booth called the meeting to order and opened the floor for a motion to go into executive session pursuant to KRS 61.810(f), which provides that discussions that may lead to the appointment of an employee may be held in executive session. He said that no formal action will be taken in the closed session and that the Board will return to regular session prior to adjournment.

Open Session

The Board returned to open session at 9:20 p.m.

Adjournment

There being no further business to conduct, Dr. O'Cull moved that the meeting adjourn. Mr. Caudill seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
November 12, 2004**

The Board of Regents of Morehead State University met in special session at 6 p.m. on Friday, November 12, 2004, in the Heritage Room of the Adron Doran University Center in Morehead, Kentucky. Chair James H. Booth presided.

Roll Call

On roll call, the following members were present: James H. Booth, Gene Caudill, Jason Marion, Dr. Charles Morgan Jr., Dr. John D. O'Cull, and Jerry Umberger. Jean Dorton, Sylvia Lovely, John Merchant, Helen Pennington and Sylvia Lovely were unable to attend. A quorum was present.

Executive Session

Chair Booth called the meeting to order and opened the floor for a motion to go into executive session pursuant to KRS 61.810(f), which provides that discussions that may lead to the appointment of an employee may be held in executive session. He said that no formal action will be taken in the closed session and that the Board will return to regular session prior to adjournment.

Open Session

The Board returned to open session at 8:50 p.m.

Adjournment

There being no further business to conduct, Dr. O'Cull moved that the meeting adjourn. Mr. Caudill seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
November 18, 2004**

The Board of Regents of Morehead State University met in special session at 5:30 p.m. on Thursday, November 18, 2004, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair James H. Booth presided.

Roll Call

On roll call, the following members were present: James H. Booth, Gene Caudill, Jean Dorton, Jason Marion, John Merchant, Dr. Charles Morgan Jr., Dr. John D. O'Cull, and Helen Pennington. Sylvia Lovely, Jill Hall Rose, and Jerry Umberger were unable to attend. A quorum was present.

Appointment of President

Ms. Pennington moved that the Board approve the employment of Dr. Wayne D. Andrews as President of Morehead State University with a four-year contract beginning January 1, 2005, at an annual salary of \$210,000. She further moved that he be provided employee benefits including insurance, retirement, use of a vehicle, use of the President's home, and reimbursement or provision of business travel, meals, and entertainment expenses. Dr. Morgan seconded the motion. The motion was unanimously approved.

Acceptance of Offer

Chair Booth placed a telephone call to Dr. Andrews to see if he would accept the presidency of Morehead State University. Chair Booth announced that Dr. Andrews accepted the position.

Presidential Search Committee

Chair Booth thanked the Presidential Search Committee members for their diligence and hard work in helping the Board find the next President of Morehead State University. He said that this was one of the best groups he had had the pleasure of working with and that he was very pleased and proud of the Committee. He applauded them for that. We are moving forward very aggressively and look forward to having Dr. Andrews visit the campus soon.

There being no further business to conduct, Mr. Caudill moved that the meeting adjourn at 5:57 p.m. Mr. Marion seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

HONORARY DOCTORAL DEGREES

December 16, 2004

Recommendation:

That the Board of Regents approve awarding of the honorary degree of DOCTOR OF PUBLIC SERVICE to Dr. Ronald G. Eaglin and to Bonnie M. Eaglin at the Winter Commencement ceremony on December 18, 2004.

Background:

Since 1988 the Board of Regents has awarded honorary doctoral degrees to outstanding individuals to recognize personal achievement and/or exemplary public service. The ad hoc Honorary Degree Advisory Committee screens nominations for such recognition and makes appropriate recommendations to the President and Board of Regents. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc. In addition, a special, ad hoc committee comprised of two members of the Board of Regents and the University's vice presidents also recommended the awarding of these honorary degrees.

Dr. Ronald G. Eaglin and Mrs. Bonnie M. Eaglin were nominated for honorary doctoral degrees in conjunction with Winter Commencement. The Honorary Degree Advisory Committee reviewed the qualifications of Dr. and Mrs. Eaglin and unanimously recommended that each receive the honorary degree of DOCTOR OF PUBLIC SERVICE at the Winter Commencement ceremony on December 18, 2004.

Dr. Eaglin, who is retiring at the end of December, has served since July 1, 1992, as the 12th president of the University and is the senior public university president in Kentucky. A former chair of Kentucky's Conference of University Presidents, Dr. Eaglin also served as president of the Ohio Valley Conference and as a member of the NCAA Presidents Commission and Division I Board of Directors and Board of Directors of the American Association of State Colleges and Universities.

Among his principal achievements at MSU are creation of the Space Science Center, reaccreditation by the Southern Association of Colleges and Schools, accreditation of the College of Business, the highest enrollments in history, recognition of MSU as one of the top 25 public regional universities in the South by U.S. News and World Report, a 5,000 percent increase in endowment value from \$500,000 to \$25 million, completion of \$50 million worth of renovation and construction projects, expansion of regional campuses from three to five, establishment of the Institute for Regional Analysis and Public Policy (IRAPP) as the University's first program of distinction and founding of Kentucky Folk Art Center and Kentucky Center for Traditional Music.

In addition to her untiring service as MSU's First Lady, Bonnie Eaglin has built her own reputation in Kentucky as a caring, compassionate citizen who has worked tirelessly on behalf of the visual and performing arts, international students, women and children. She founded the Morehead area PAVE (Partnership Against Violent Environments), the Gateway Child Advocacy Center for the benefit of children victimized by sexual abuse and the Rowan County Council on Domestic

Violence. Another tangible result of her leadership is the Spring Gala which has generated nearly \$1 million for MSU's academic programs. She also served on the founding Board of Directors of the Kentucky Folk Art Center, Morehead-Rowan County Sister Cities Commission and MSU-Rowan County Adult Basic Education and Literacy Advisory Board.

NAMING OF SPACE SCIENCE CENTER

**BOR (IV)
December 16, 2004**

Recommendation:

That the Board of Regents approve naming of the Ronald G. Eaglin Space Science Center in the College of Science and Technology.

Background:

The naming of facilities or components of the University normally requires a recommendation from the President and approval of the Board of Regents. In this instance, the recommendation was submitted by a special, ad hoc committee comprised of two members of the Board of Regents and the University's vice presidents. Traditionally, naming of components or facilities is a permanent means of recognizing those who have provided outstanding support to the institution or given exemplary personal service over a sustained period.

President Ronald G. Eaglin is retiring at the end of December with 12.5 years in office, making him the second-longest serving chief executive in the 117-year history of the institution, surpassed only by President Adron Doran's nearly 23 years. Four of the 11 previous presidents have a physical facility named for them but no president's name has been affixed to an academic or administrative component of the University.

The Space Science Center is the result of President Eaglin's vision and his tenacious and effective work with NASA, U.S. Rep. Hal Rogers, U.S. Sen. Mitch McConnell and with state officials and the University's faculty and staff. Dr. Eaglin feels that history will regard space science as the most significant legacy of his presidency and that it will have an historic impact on the University's academic reputation and on its initiatives in technology-based economic development. The first phase of the center's development, a \$3.5 million space tracking system, is expected to become operational early in 2005. The second phase, a \$15 million support building, has been endorsed by Gov. Ernie Fletcher for state funding.

Naming the space science unit in the College of Science and Technology in his honor will forever link President Eaglin's name with this pioneering academic enterprise which is being transformed from a bold dream into spectacular reality.

Prepared by: Keith Kappes

SABBATICAL LEAVE, 2004-2005

BOR (IV)
December 16, 2004

Recommendation:

That the Board of Regents approve the granting of sabbatical leave to President Ronald G. Eaglin for the period of January 1 through June 30, 2005.

Background:

The practice of granting terminal sabbatical leave to a retiring president in recognition of extended service to the institution has been observed at Morehead State University on at least two previous occasions. Dr. Eaglin is retiring effective December 31 with the second longest presidential tenure in the institution's 117-year history.

GRANTING OF EMERITUS STATUS

**BOR (IV)
December 16, 2004**

Recommendation:

That the Board of Regents approve the granting of emeritus status to President Ronald G. Eaglin upon his retirement on December 31, 2004, as the 12th president of Morehead State University.

Background:

The granting of emeritus status to faculty and senior administrators with distinguished records of service to an institution of higher learning is a time-honored tradition in the United States and long has been observed at Morehead State University. Derived from the Latin term meaning "to earn by service", emeritus is an honorary title which corresponds to that held immediately before retirement. By virtue of his more than 12 years of exemplary service to the University, Dr. Ronald G. Eaglin is most deserving of the title of President Emeritus.

**RESOLUTION HONORING
CHERELLE LAMPKINS**

**BOR V
December 16, 2004**

WHEREAS, Cherelle Lampkins, a former standout player on the University's women's volleyball team, is the second MSU student-athlete to be selected as a state winner in the 13-year history of the highly-coveted NCAA Woman of the Year Award;

WHEREAS, Ms. Lampkins played four years for the Lady Eagles and led the squad to its first regular season Ohio Valley Conference championship in 13 years;

WHEREAS, the NCAA award recognizes "outstanding female student-athletes, who have excelled in academics, athletics and community leadership, and have completed their collegiate athletics eligibility" and Ms. Lampkins was chosen from among more than 300 student-athletes across the Commonwealth;

WHEREAS, Ms. Lampkins earned First-Team All-Ohio Valley Conference honors last year, and was selected as the OVC's Player of the Week on 13 occasions during her career, a league record;

WHEREAS, Ms. Lampkins is a cum laude graduate of the University with a 3.648 GPA and a degree in exercise science and was a member of the OVC Commissioner's Honor Roll for three years and the MSU Academic Dean's List for six semesters;

WHEREAS, Ms. Lampkins is a native of Muncie, Inc., and the daughter of Deb Watson and was involved in community service and leadership activities throughout her four years at MSU;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Ms. Cherelle Lampkins be and hereby is commended for her exemplary achievements as a student-athlete and a citizen while at the University. Be it further resolved that the University expresses its sincere appreciation of her academic, athletic and personal standards.

Done this sixteenth day of December 2004.

James H. Booth, Chair

ATTEST:

Carol Johnson, Secretary

Ronald G. Eaglin, President

Prepared by: Keith Kappes

RESOLUTION HONORING CRAIG UNGER

**BOR V
December 16, 2004**

WHEREAS, Craig Unger , a standout player on the University's football team, is the first MSU student-athlete to be named a National Scholar-Athlete by The National Football Foundation and College Hall of Fame.

WHEREAS, Mr. Unger was among 15 college football players from across the nation who were honored at the Foundation's 47th Annual Awards Dinner earlier this month at the Waldorf-Astoria Hotel in New York City.

WHEREAS, Mr. Unger and the other scholar-athletes each received an \$18,000 post-graduate scholarship;

WHEREAS, Mr. Unger's college career has been marked by athletic and academic honors, including being a 2003 First Team CoSIDA NCAA Division I Academic All-American, First Team NCAA Division I-AA Mid-Major All-American, 2003 Pioneer Football League South Division Co-Defensive Player of the Year, First Team Academic All-PFL and member of the PFL Academic Honor Roll.

WHEREAS, Mr. Unger has a 3.8 grade point average with a major in business administration/finance and was a four-year starter, including two years as team captain;

WHEREAS, Mr. Unger is the son of Connie Miller of Greenfield, Ohio, and is actively involved in church and community projects;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Craig Unger be and hereby is commended for his exemplary achievements as a student-athlete and a citizen while at the University. Be it further resolved that the University expresses its sincere appreciation of his academic, athletic and personal standards.

Done this sixteenth day of December 2004.

James H. Booth, Chair

ATTEST:

Carol Johnson, Secretary

Ronald G. Eaglin, President

Prepared by: Keith Kappes

2004 WINTER GRADUATES

**BOR (VII-A-1)
December 16, 2004**

Recommendation:

That the awarding of degrees to all candidates who successfully complete all degree requirements as approved by the faculty of the University at the 2004 Winter Commencement on December 18, 2004, be approved.

Background:

524 students have applied for graduation at the December 18, 2004, Winter Commencement. This includes 29 associate degrees, 393 bachelor degrees and 102 master degrees.

Prepared by: Michael Moore

Recommendation:

That the Board of Regents approve the granting of sabbatical leaves for the following faculty:

Dr. Janet Gross, Spring 2006
Dr. Gerd Fricke, 2005-2006 Academic Year
Dr. Steve Hunt, Fall 2005

Background:

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

Dr. Janet Gross, professor of nursing, has been recommended for a sabbatical leave for the Spring 2005 semester; Dr. Gerd Fricke, professor of mathematics, has been recommended for a sabbatical leave for 2005-2006 academic year; Dr. Steve Hunt, professor of information systems, has been recommended for a sabbatical leave for Fall 2005.

EDUCATIONAL LEAVE, 2005-2006

**BOR (VII-A-3)
December 16, 2004**

Recommendation:

That the Board of Regents approve the granting of an educational leave for the 2005 spring semester to Ms. Brenda Wilburn, associate professor of nursing, contingent upon funding being available within academic affairs.

Background:

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

RATIFY PERSONNEL ACTIONS

**BOR (VII-A-4)
December 16, 2004**

Recommendation:

That the Board ratify the Personnel Actions for the period August 16, 2004, through November 26, 2004.

Background:

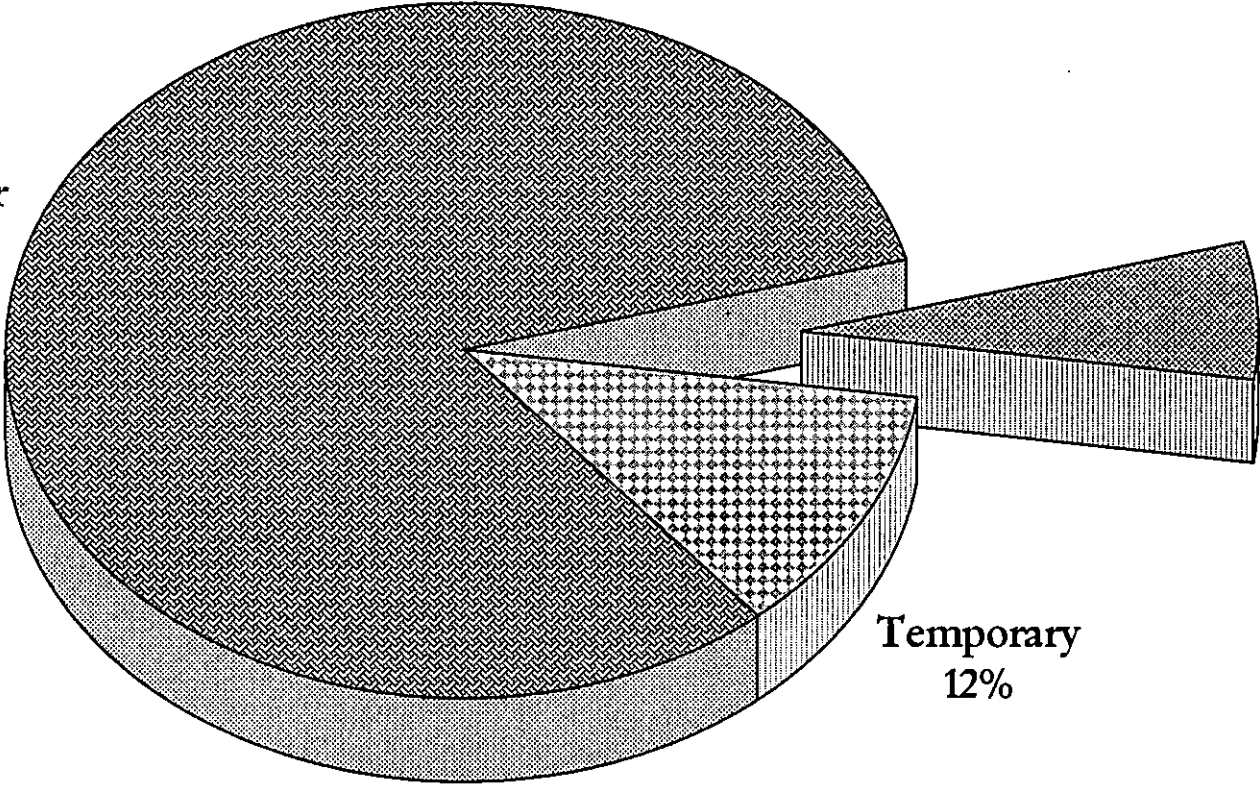
The Personnel Action Request Report includes actions related to:

- 1) full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, excluding supplemental actions not listed under Item 3, below;
- 2) full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) supplemental actions for faculty acquiring managerial duties, excluding normal grant activities;
- 4) discipline;
- 5) leave of absences;
- 6) sabbaticals; and
- 7) retirements.

PERSONNEL ACTION REQUEST

8/16/04 thru 11/26/04

Regular
82%



Restricted
6%

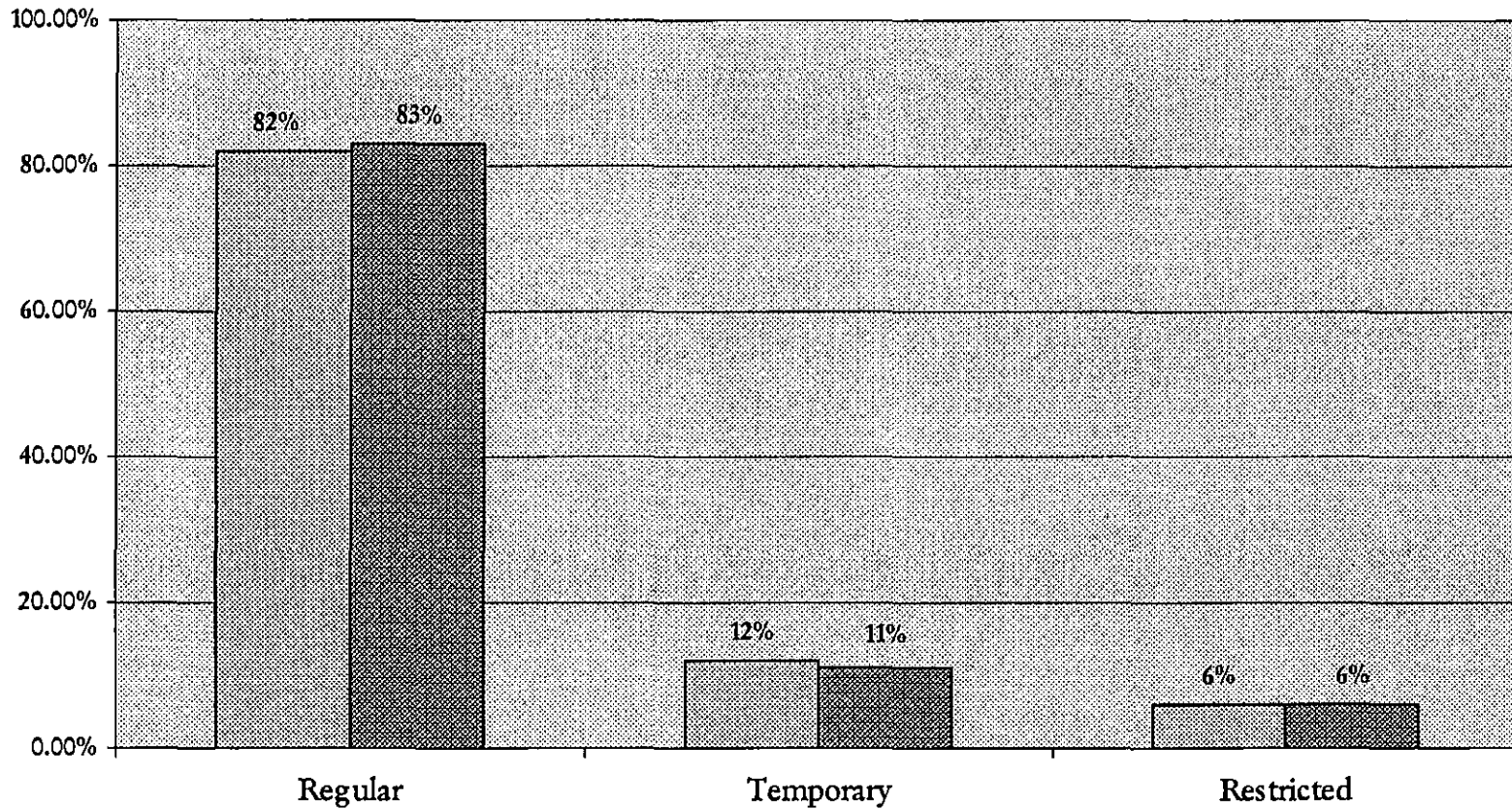
Temporary
12%

Total Number of PARs = 77

COMPARISON CHART FOR PERSONNEL ACTION REQUEST

■ Current Quarter
(8/16/04 thru 11/26/04)

■ Same Quarter Last Year
(9/1/03 thru 11/14/03)

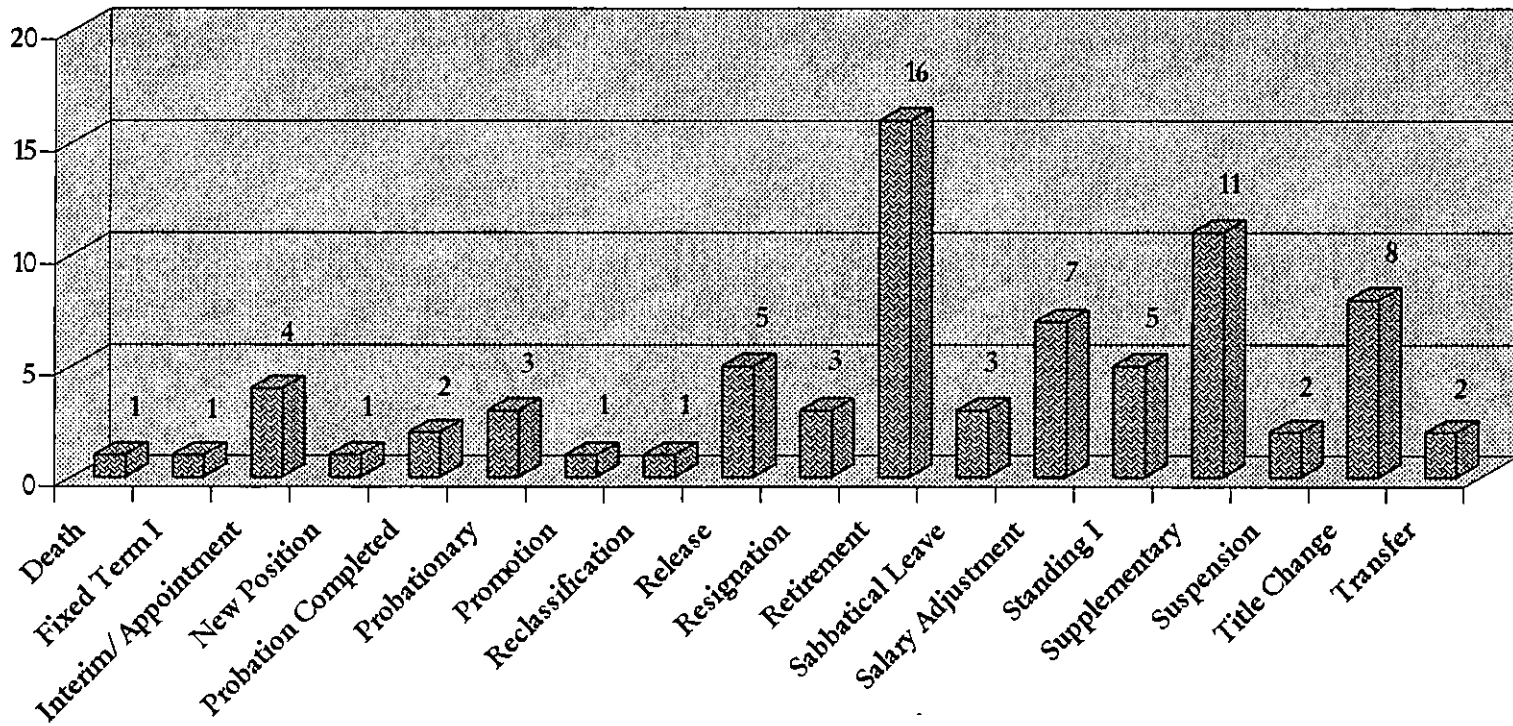


Total Number of PARs

Current Quarter = 77

Same Quarter Last Year = 35

PERSONNEL ACTIONS FOR COVERED ROSTER APPOINTMENTS
8/16/04 thru 11/26/04



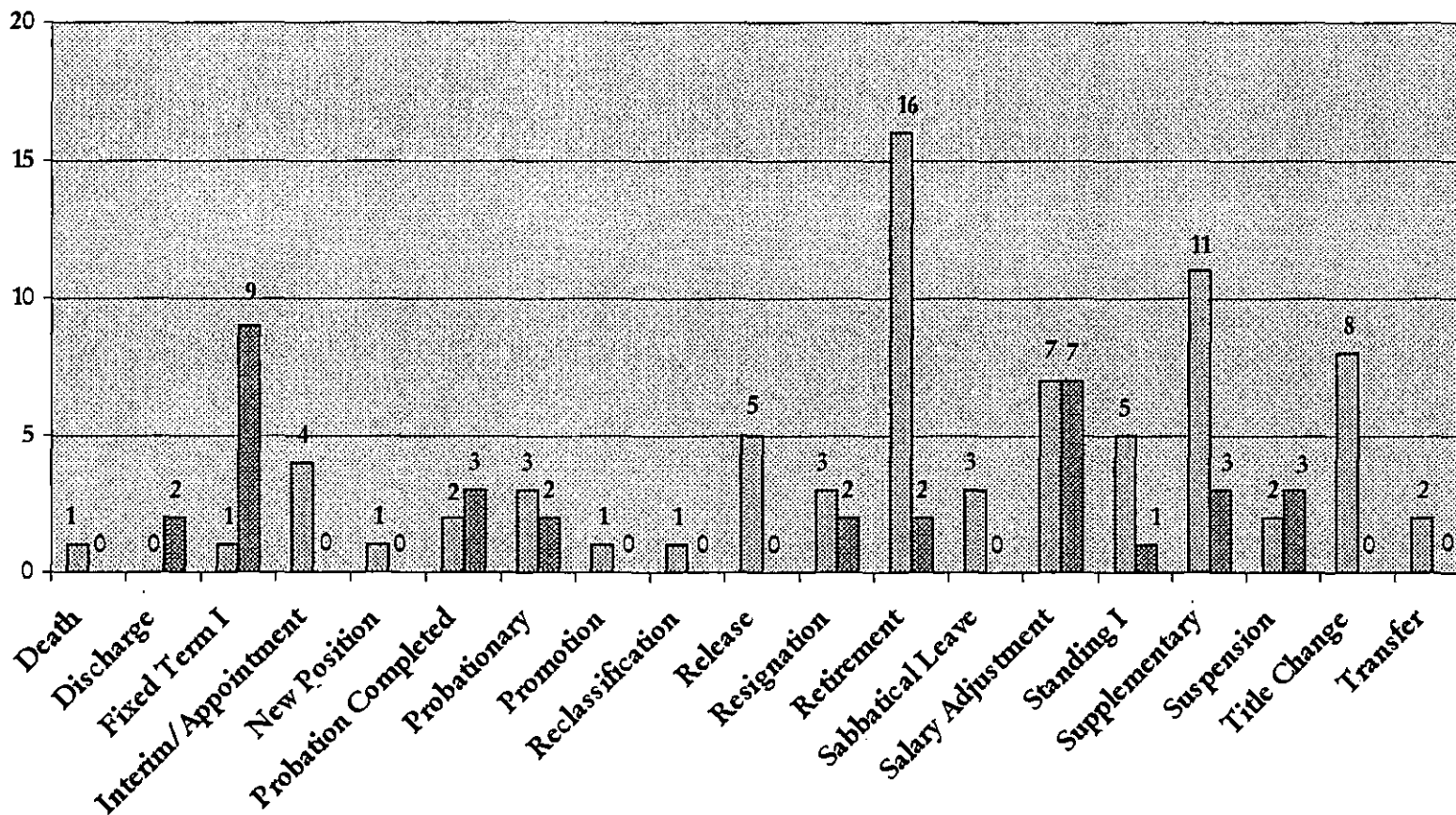
Total Number of PARs = 63

Total Number of Actions = 76

COMPARISON CHART FOR COVERED ROSTER APPOINTMENTS

■ Current Quarter
(8/16/04 thru 11/26/04)

■ Same Quarter Last Year
(9/1/03 thru 11/14/03)



Total Number of PARs

Current Quarter = 63

Same Quarter Last Year = 29

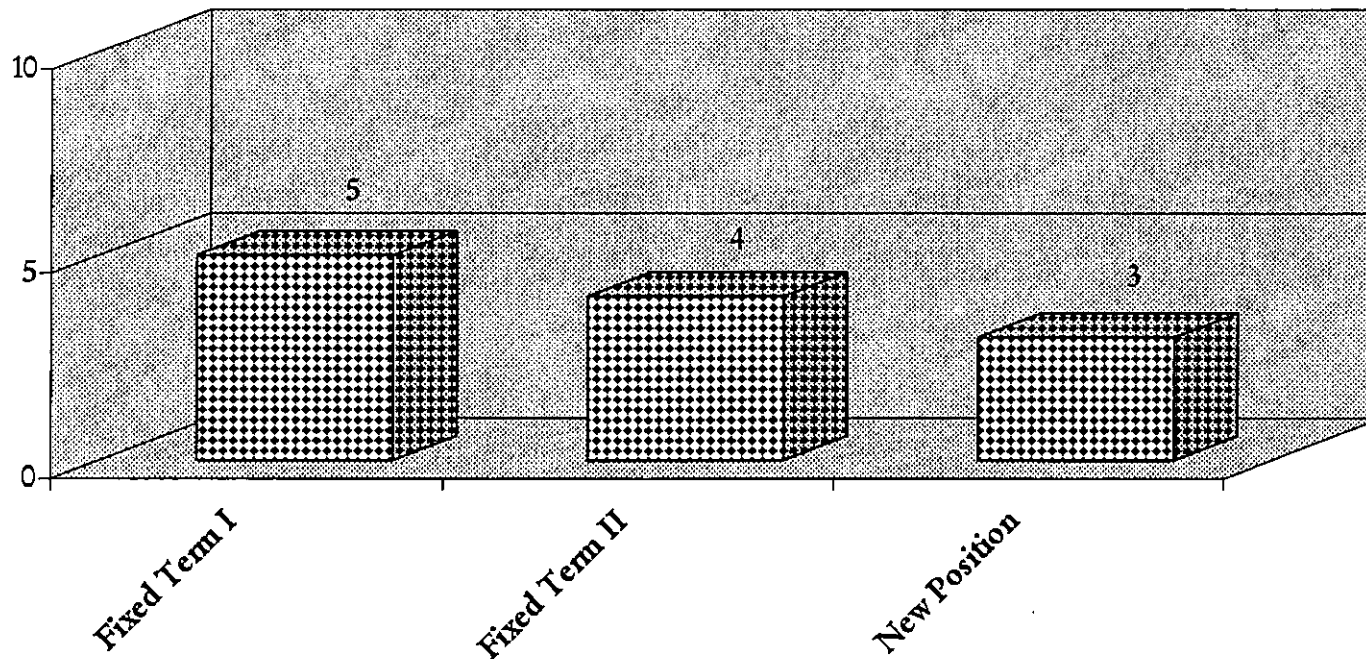
Total Number of Actions

Current Quarter = 76

Same Quarter Last Year = 34

PERSONNEL ACTIONS FOR NON-ROSTERED TEMPORARY APPOINTMENTS

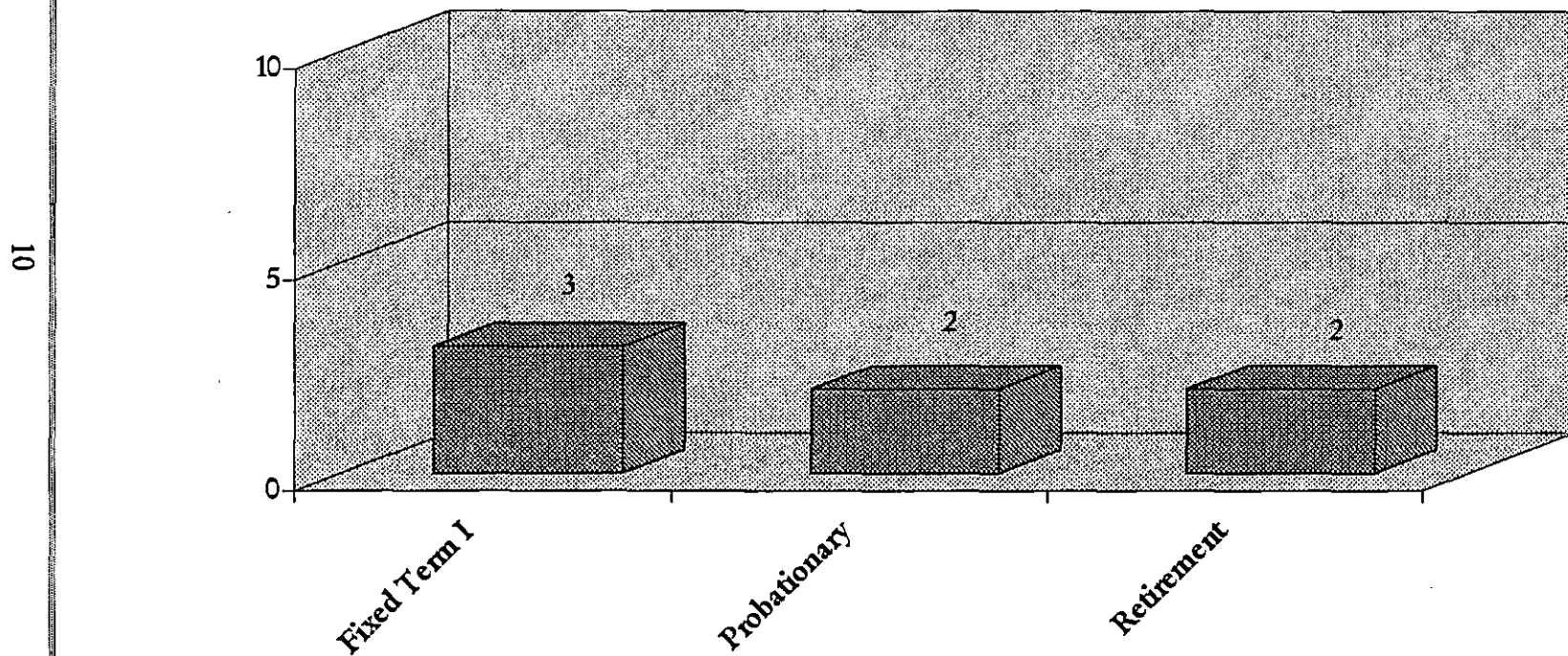
8/16/04 thru 11/26/04



Total Number of PARs = 9

Total Number of Actions = 12

PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS 8/16/04 thru 11/26/04



Total Number of PARs = 5

Total Number of Actions = 7

MOREHEAD STATE UNIVERSITY
 STANDING I AND STANDING II POSITIONS SUMMARY
 11/26/04

<u>DEPARTMENT NAME</u>	<u>July 1 Authorized Positions</u>	<u>Current Authorized Positions</u>	<u>+/- Position Adjustments</u>	<u>Current Position Strength</u>	<u>% Current Strength</u>
OFFICE OF THE PRESIDENT	6.00	6.00	0.00	6.00	100.00
DIVISION OF UNIVERSITY RELATIONS	34.00	34.00	0.00	34.00	100.00
DIVISION OF DEVELOPMENT	14.00	14.00	0.00	13.00	92.86
DIVISION OF PLANNING, BUDGETS AND TECHNOLOGY	42.00	42.00	0.00	40.00	95.24
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	68.00	68.00	0.00	67.00	98.53
PHYSICAL PLANT	153.70	153.70	0.00	148.70	96.75
DIVISION OF STUDENT LIFE	133.80	136.80	3.00	126.80	92.69
DIVISION OF ACADEMIC AFFAIRS	27.50	27.50	0.00	27.50	100.00
CAUDILL COLLEGE OF HUMANITIES	143.61	144.61	1.00	142.61	98.62
11 COLLEGE OF BUSINESS	53.50	53.50	0.00	49.50	92.52
COLLEGE OF EDUCATION	97.00	97.50	0.50	91.00	93.33
COLLEGE OF SCIENCE AND TECHNOLOGY	152.60	151.60	-1.00	146.60	96.70
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	19.00	19.00	0.00	18.00	94.74
GRADUATE AND UNDERGRADUATE PROGRAMS	47.64	47.64	0.00	44.64	93.70
CAMDEN-CARROLL LIBRARY	39.00	39.00	0.00	35.00	89.74
	1031.35	1034.85	3.50	990.35	95.70

NOTE: Positions are expressed in terms of full-time equivalency.

DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Standing I:** Appointment to a continuing full-time faculty, administrative or staff (exempt or non-exempt) position with benefits fully covered. No ending date. Appointment may be terminated, if for cause.
- Fixed Term I:** Appointment to a full-time faculty, administrative or staff (exempt or non-exempt) position for at least six calendar months but not to exceed one year and with benefits fully covered. Non-faculty appointments may be renewed from year to year. Faculty appointments may be renewed from year to year but cannot exceed five academic years. Terminable on specified ending date of appointment, or earlier, if for cause.
- Fixed Term II:** Appointment to a full-time (up to six calendar months) or part-time (up to one year) faculty, administrative or staff exempt position with only mandated benefits. Terminable on specified ending date of appointment, or earlier, if for cause.
- Supplementary:** Supplementary appointment to original employment agreement. For example, Summer I & II faculty appointments or 9 month appointment extended to 10, 11, or 12 month appointment. Also used for additional responsibilities as supplement to Standing or Fixed Term appointments. For example, an administrator teaching a class or compensation for over-the-road pay. Not to be used for regular overtime pay. A supplemental appointment does not change an employee's base pay or employment status.

THE FOLLOWING ARE TYPES OF APPOINTMENTS & PERSONNEL ACTIONS
REPORTED IN THE APPOINTMENT STATUS ACTIONS SECTION:

DEATH

RELEASE

FIXED TERM I

RESIGNATION

FIXED TERM II

RETIREMENT

INTERIM/APPOINTMENT

SABBATICAL LEAVE

NEW POSITION

SALARY ADJUSTMENT

PROBATION COMPLETED

STANDING I

PROBATIONARY

SUSPENSION

PROMOTION

TITLE CHANGE

RECLASSIFICATION

TRANSFER

Appointment Status Actions
08/16/2004 - 11/26/2004

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
ASHMORE, TIMOTHY MITCHELL Asst. Professor of Speech Communication and Theatre 462 \$42,320.00	\$42,320.00	Release	5/14/2005	
BAILEY, HARGIS RAY Librarian II Camden Carroll Library 681 \$36,500.00	\$37,230.00 (\$730.00 incr.)	Probation Completed Salary Adjustment	8/7/2004	Roster ID # 002996
BENTLEY, SCOTTIE RUBEN Residential Adjust. Counselor CDPCRC	\$24,500.00/annual	Fixed Term I Probation	12/15/2004 - 06/30/2005	Restricted
BESANT, LARRY X. Dir. of Library/Inst. Media Camden Carroll Library 656 \$92,893.00	\$92,893.00	Retirement	12/31/2004	
BINION, PATRICIA ANN Instructor of Education MAT Program - Secondary Educ.	\$30,000.00	Fixed Term I New Position	08/23/2004 - 05/14/2005	Operating Expenses. Unbudgeted Revenues
BLACKBURN, BRENDA CAROLYN Instructor of Education MAT Program - Secondary Educ.	\$30,000.00	Fixed Term I New Position	08/23/2004 - 05/14/2005	Operating Expenses Unbudgeted Revenues

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
BOWLING, LINDA IRENE	Equipment Room Clerk	Health, P.E. & Sport Science	438	\$10.32/hr.	\$10.32/hr.	Retirement	12/31/2004	
BREEDEN, WAYNE T.	Associate Basketball Coach	Men's Basketball	2219	\$51,590.00	\$51,590.00	Title Change (From Assistant Basketball Coach to Associate Basketball Coach)	08/23/2004 - 03/31/2005	
BYLUND, ROBERT A	Professor of Sociology	Sociology, S.W. & Criminology	620	\$70,745.00	\$10,000.00	Interim Appointment (Interim Chair, SSWC)	01/03/2005 - 06/30/2005	Roster ID # 000626
CANO, VICENTE	Professor of Romance Languages	English, Foreign Lang. & Phil.	1350	\$63,229.00	\$63,229.00	Sabbatical Leave	01/18/2005 - 05/14/2005	
CLARK, TARA LEA	Asst. Professor of Nursing	Nursing & All. Health-BSN Prog.	1780	\$68,056.00	\$42,000.00	Standing I	1/11/2005	

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
COWART, LARY BRITTON	Assoc. Professor Real Estate Manag., Market. & Real Estate		3109	\$80,885.00	\$80,885.00	Sabbatical Leave	01/18/2005 - 05/14/2005	
CRISCIONE, E. RICHARD	Asst. Professor of Accounting Accounting, Econ. & Finance		353	\$84,000.00	\$84,000.00	Standing I	8/11/2005	
DAVISON, SCOTT A.	Assoc. Professor of Philosophy English, Foreign Lang. & Phil.		3154	\$48,947.00	\$48,947.00	Sabbatical Leave	01/18/2005 - 05/14/2005	
DEHART, BOBBY RAY	General Services Supervisor General Services		763	\$14.84/hr.	\$14.84/hr.	Retirement	10/29/2004	
DOAN, MYRON LEE	Dean of Students Off., VP Student Life		543	\$84,857.00	\$84,857.00	Retirement	11/30/2004	

Appointment Status Actions
08/16/2004 - 11/26/2004

Name
 Title
 Department
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
DOBRANSKI, J. MICHAEL Asst. Professor of Mathematics Mathematics & Computer Science 577 \$43,281.00	\$44,281.00 (\$1,000.00 incr.)	Salary Adjustment (Received doctoral degree)	8/23/2004	Roster ID # 002996
FREELAND, KENT E. Professor of Education Elem. Read. & Spec. Education 365 \$74,757.00	\$74,757.00	Retirement	5/14/2005	
FUGATE, EVLYNN H Sec. Specialist (Adult Educ.) Adult Education Academy	\$14.14/hr.	Retirement	12/31/2004	
GRIER, PENNY EILEEN Acad. Dept. Spec. (Management) Manag., Market. & Real Estate 330 \$13.26/hr.	\$13.26/hr.	Retirement	9/30/2004	
HALL, KEVIN BRENT Director of Gear-Up Gear-Up Program	\$58,523.00	Fixed Term I	09/15/2004 - 09/14/2005	Restricted

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**Appointment Status Actions
08/16/2004 - 11/26/2004**

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
HALL, RAYMOND DOUGLAS Instructor of Sociology Sociology, S.W. & Criminology 3210 \$41,300.00	\$30,884.00	Fixed Term I	08/15/2005 - 05/12/2006	
HAMMONS, KAREN OREILLY Assistant Professor Education Elem. Read. & Spec. Education 448 \$50,130.00	\$50,130.00	Retirement	5/14/2005	
HARDIN, PATRICIA JANE Instructor of Education MAT Program - Secondary Educ.	\$30,000.00	Fixed Term I New Position	08/23/2004 - 05/14/2005	Operating Expenses Unbudgeted Revenues
HARE, TIMOTHY Asst. Professor, Anthropology IRAPP 3394 \$40,392.00	\$42,392.00	Standing I New Position Title Change Salary Adjustment Transfer (From Visit. Asst. Prof. to Asst. Prof. of Anthropology. From \$39,500 to \$42,392)	8/15/2004	Roster ID # 003281
HORN, CONSTANCE M. Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	08/23/2004 - 12/17/2004	Lecturer Acct.

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
HORNBUCKLE, JAMI MELISSA	Dir. of University Marketing Off. of University Marketing 3251			\$51,503.00	\$51,503.00	Title Change (From Web Marketing Director to Director of University Marketing)	8/30/2004	
HOWARD, DAIL	Project Dir., Educ. Access Prog. Educational Opportunity Center				\$54,096.00	Retirement	11/30/2004	
19 Hsieh, Chia-Ling	Instructor of Music Music				\$35,000.00/9 mo.	Fixed Term I	11/03/2004 - 05/14/2005	Roster ID # 000612
HUNSUCKER, SHARON	Asst. Professor of Nursing Nursing & All. Health-BSN Prog 2864				\$42,000.00	Standing I	1/11/2005	
HUNT, JARRED SETH	Police Officer Police Department 104				\$12.00/hr.	Probation (Extension of probationary period)	08/22/2004 - 09/13/2004	

Appointment Status Actions
08/16/2004 - 11/26/2004

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
LAUX, BRADLEY REID Athletic Media Asst. Director Office of Sports Information 3195 \$11.97/hr.		\$11.97/hr.	Probation	10/04/2004 - 11/17/2004	
LAUX, BRADLEY REID Athletic Media Asst. Director Office of Sports Information 3195 \$11.97/hr.		\$11.97/hr.	Title Change (From Sports Information Assistant Director to Athletic Media Assistant Director)	10/4/2004	
LESTER, BOYCE NOEL Instructor of Education MAT Program (Special Educ.)		\$30,000.00	Fixed Term I	08/30/2004 - 05/14/2005	Unbudgeted Revenues
LILES, JEFFREY R. Asst. V.P., Univ. Relations Off., V.P. for Univ. Relations 3241 \$76,426.00		\$76,426.00	Title Change (From Asst. V.P. for Marketing to Asst. V.P. for University Relations)	8/23/2004	
LOCKHART, TRAVIS PRESTON Professor of Theatre Communication and Theatre 475 \$65,637.00		\$65,637.00	Retirement	5/14/2005	

Appointment Status Actions
 08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
MASON, PATRICK SAMUEL	Instructor of Industrial Tech.	Industrial & Engineering Tech.	268	\$39,805.00	\$39,805.00	Resignation	12/22/2004	
MAXEY, SUSAN WHITT	Dir., Grad. & Under. Prog./Cert Off., Graduate Programs		214	\$44,198.00	\$47,513.00 (\$3,315.00 incr.)	Salary Adjustment Reclassification Title Change (From Graduate Programs Coordinator to Director of Graduate and Undergraduate Prog./Cert.)	11/1/2004	Operating Expenses
MAYSE, JOHN DAVID	Technical Support Specialist	Office of Financial Aid	661	\$13.23/hr.	\$13.23/hr.	Suspension (Without pay)	10/05/2004 - 10/05/2004	
MCGHEE, PAUL RALPH	Professor of Education	Elem. Read. & Spec. Education	1030	\$73,130.00	\$73,130.00	Retirement	5/14/2005	

Appointment Status Actions
08/16/2004 - 11/26/2004

Name
 Title
 Department
 Roster ID
 Position Base Salary

Salary

Description

Effective Date

Fund Source

MINOR, JOYCE ANN
 Instructor of Education
 Elem. Read. & Spec. Education
 366
 \$40,666.00

\$40,666.00

Retirement

5/14/2005

NORDEN, EUGENE C.
 Assistant Professor of Music
 Music
 528
 \$48,459.00

\$48,459.00

Retirement

5/14/2005

OLDFIELD, MARY ALICE
 Instructor of Education
 Elem. Read. & Spec. Education

\$14,000.00

Fixed Term II

08/23/2004 - 12/17/2004

Roster ID # 002892

OWEN, T. ROSS
 Asst. Prof. of Adult Education
 Coun. Leadership Adult Educ.
 378
 \$43,497.00

\$43,497.00

Release

5/14/2005

PETERS, BETTY J.
 Assistant Professor of English
 English, Foreign Lang. & Phil.
 504
 \$19,228.00

\$19,228.00

Retirement

12/31/2004

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
PHILLIPS, MARK	Assistant Professor Economics	IRAPP	3321	\$52,676.00	\$52,676.00	Release	5/14/2005	
PORTER, JEFFREY ALLEN	Building Services Technician	Building Services	790	\$7.15/hr.	\$7.15/hr.	Release	9/29/2004	
POWERS, PAULINE K.	Clerk Typist (Health Services)	Off. Counseling & Health Serv.	1059	\$10.13/hr.	\$10.13/hr.	Death	8/22/2004	
PRITCHARD, ELSIE T.	Librarian IV	Camden Carroll Library	680	\$8,593.00	\$68,747.00	Interim Appointment (Interim Dir., Library)	01/03/2005 - 06/30/2005	Roster ID # 000656
RAMACCI, GINA	Assistant Softball Coach	Women's Softball	3427	\$23,660.00	\$23,660.00	Salary Adjustment (From \$18,000 to \$23,660. \$5,660 incr. Adjustment to comply with FLSA minimum salary)	09/13/2004 - 06/30/2005	Opening Bud-Undist.

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
RECKTENWALD, JAMES F.	Substance Abuse Counselor	CDPCRC			\$32,500.00/annual	Fixed Term I Probation	10/04/2004 - 06/30/2005	Restricted
ROBBINS, SUZANNE MICHELLE	Asst. Professor of Government	IRAPP	3282	\$42,642.00	\$42,642.00	Resignation	8/18/2004	
24 ROGERS, DONNA VEE	Instructor of Education	Elem. Read. & Spec. Education			\$14,000.00	Fixed Term II	08/23/2004 - 12/17/2004	Roster ID # 002892
ROSS, RAYMOND PERRY	Assistant Professor of Music	Music	531	\$40,539.00	\$40,539.00	Retirement	5/14/2005	
SAMMONS, DALLAS FAY	Director of Housing	Office of Student Housing	924	\$41,339.00	\$46,144.00	Standing I Probation Promotion Transfer Salary Adjustment Title Change (From Assoc. Dir. of Housing to Director of Housing. From \$42,924 to \$46,144. \$3,220 incr.)	12/1/2004	Roster ID # 002098

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position	Base Salary	Salary	Description	Effective Date	Fund Source
SERINI, SHIRLEY ANN	Asst. Prof. of Communications	Communication and Theatre	2988		\$47,429.00	\$47,429.00	Release	5/14/2005	
SHEEN, GREGORY LYNN	Women's Head Soccer Coach	Women's Soccer	3194		\$39,000.00	\$39,780.00 (\$780.00 incr.)	Probation Completed Salary Adjustment	7/31/2004	Opening Bud-Undist.
SMITH, JOSEPH CLYMER	Director of Athletics	Office of Athletics	3374		\$90,971.00	\$90,971.00	Resignation	9/7/2004	
STACY, RANDY L.	Athletic Media Relations Dir.	Office of Sports Information	182		\$42,738.00	\$42,738.00	Title Change (From Sports Information Director to Athletic Media Relations Director)	10/4/2004	
THIRION, PEGGY LEE	Instructor of Education	Elem. Read. & Spec. Education			\$14,000.00	\$14,000.00	Fixed Term II	08/23/2004 - 12/17/2004	Roster ID # 002892

Appointment Status Actions
08/16/2004 - 11/26/2004

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
WADDELL, ORVILLE L.	General Services Manager	General Services	3021	\$44,000.00	\$44,000.00	Retirement	11/30/2004	
WILLIS, WAYNE	Professor of Education	Elem. Read. & Spec. Education	2486	\$65,185.00	\$10,000.00	Interim Appointment (Interim Dean, College of Education)	01/03/2005 - 05/22/2005	Roster ID # 000429
WILLIS, WAYNE	Professor of Education	Elem. Read. & Spec. Education	2486	\$65,185.00	\$6,000.00	Interim Appointment (Interim Dean, College of Education)	05/23/2005 - 06/30/2005	Roster ID # 000368
WOODY, H. K.	HVAC Technician II	Building Maintenance	731	\$15.73/hr.	\$15.73/hr.	Retirement	12/31/2004	
WRIGHT, SUSAN ELAINE	Properties/Office Manager	Office of Physical Plant	726	\$15.22 /hr.	\$15.22/hr.	Suspension (Without pay)	10/13/2004 - 10/15/2004	

Appointment Status Actions
08/16/2004 - 11/26/2004

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

WRIGHT, SUSAN ELAINE

Properties/Office Manager

Office of Physical Plant

726

\$15.22/hr.

\$15.22/hr.

Retirement

12/31/2004

**THE FOLLOWING IS THE TYPE OF PERSONNEL ACTION REPORT
IN THE SUPPLEMENTAL ACTIONS SECTION:**

SUPPLEMENTARY

Total for this report = \$23,478.00

Managerial Duties	\$11,500.00
Teaching	\$9,478.00
Other	\$2,500.00

Supplemental Actions
08/16/2004 - 11/26/2004

29

Name Title Current Salary	Supplement	Description	Effective Date	Fund Source
<u>English, Foreign Lang. & Phil.</u>				
MORRISON, RONALD D. Professor of English \$62,912.00	\$2,500.00	Assistant to the Dean	08/23/2004 - 12/17/2004	Roster ID # 002996
<u>Geog., Government & History</u>				
ERNST, JOHN P. Assoc. Professor of History \$49,282.00	\$2,500.00	Dir., Appa. Heritage Prog.	08/16/2004 - 05/13/2005	Operating Expenses
<u>Sociology, S.W. & Criminology</u>				
HESTERBERG, LATONYA JOYCE Asst. Prof. of Social Work \$41,435.00	\$4,000.00	Dir. Pub. Child Welfare	10/04/2004 - 06/30/2005	Restricted
<u>Off. Dean, College of Business</u>				
WILLIAMS, L. K. Professor of Accounting \$98,504.00	\$5,000.00	Assistant to the Dean	08/01/2004 - 05/31/2005	Roster ID # 002996
<u>Coun. Leadership Adult Educ.</u>				
BOWLING, LULA NICHOLSON Director, MSU@ Prestonburg \$71,400.00	\$2,100.00 \$2,400.00	Teach MSU 101 Teach 3 hrs.	08/23/2004 - 12/17/2004 08/23/2004 - 12/17/2004	Lecturer Acct. Roster ID # 002996
<u>Health, P.E. & Sport Science</u>				
DUNN, GARY W. Asst. Football Coach/Off. Coor \$40,441.00	\$78.00	2 Class Meetings	08/23/2004 - 09/03/2004	Lecturer Acct.

Supplemental Actions
08/16/2004 - 11/26/2004

Name Title Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Health, P.E. & Sport Science</u>				
TENYER, ROBERT J. Asst. Football Coach/Strength \$38,569.00	\$2,100.00	Teach 3 hrs.	08/23/2004 - 12/17/2004	Lecturer Acct.
<u>Academic Support & Retention</u>				
KAPPES, KEITH R. V. P. for University Relations \$112,500.00	\$700.00	Teach MSU 101	08/23/2004 - 11/17/2004	Lecturer Acct.
MCCORMICK, BEVERLY JOYCE Asst. VP for Academic Affairs \$85,348.00	\$1,400.00	Teach MSU 101	08/23/2004 - 11/17/2004	Lecturer Acct.
TOBIN, JONELL Director, MSU@ West Liberty \$79,723.00	\$3,684.00	Adult Education Program	07/01/2004 - 06/30/2005	Restricted
	\$1,500.00	Vice Chair Staff Congress	07/01/2004 - 06/30/2005	Other Wages
	\$700.00	Teach MSU 101	08/23/2004 - 11/17/2004	Lecturer Acct.

**AUTHORIZE CAPITAL PROJECTS
FOR OFFICIAL RESIDENCE**

**BOR (VII-A-5)
December 16, 2004**

Recommendation:

That the Board of Regents authorize necessary capital projects for the official residence identified as the President's Home and that the project budget and scope of work be coordinated with the Chair of the Board of Regents.

Background:

The President's Home, located at 300 Battson-Oates Drive, has been the official residence of 11 of the 12 chief executives of Morehead State University. The residence will be occupied by Dr. and Mrs. Wayne D. Andrews when Dr. Andrews assumes the duties as the 13th president of Morehead State University in 2005. The residence was designed by Joseph and Joseph, Architects and Engineers from Louisville, Kentucky. Construction began in 1928 under the guidance of Joseph and Joseph associate Walter C. Wagner. The University's first president, Frank C. Button, helped plan the structure and supervised the construction, but left office before it was completed in 1929. His successor, John Howard Payne, became the first occupant.

The four-story home was built simultaneously and by the same contractor as Button Auditorium. The total cost for both buildings was about \$150,000. Today, the replacement value of the President's Home alone is more than \$500,000.

The President's Home, along with Senff Natatorium, Button Auditorium, Fields Hall, Camden-Carroll Library, Allie Young Hall, Thompson Hall, and Breckinridge Hall was added to the National Register of Historic Places in 1995. Collectively, the buildings constitute the University's historic district.

Of the structures on the National Register, Fields Hall, Thompson Hall and Breckinridge Hall have undergone major renovation projects since 1990. With the exception of Senff Natatorium and the President's Home, the other buildings in the historic district have had major repairs conducted over the past ten years. A repair and renovation project with a scope of \$750,000 is underway at Button Auditorium.

The University is obligated to keep the building in a state of good repair and to maintain its architectural integrity. The residence, while structurally sound, is in need of repair, renovation and upgrade of facilities. The Board of Regents is required to authorize any repairs and/or renovations to the facility that are non-routine in nature.

A review of the residence has been conducted and the following areas of repair and/or renovation have been noted:

- The HVAC system currently in the house is water driven and needs to be replaced with a modern heating and cooling system.
- Handicapped access should be provided to the building.

- The kitchen is outmoded and needs an upgrade in cabinets and appliances.
- Upstairs bathrooms are in need of upgrades.
- Most of the house is in need of paint, wallpaper, and replacement of carpet.
- An off-street parking garage needs to be provided for at least two vehicles.
- Some of the exterior wood on the house needs repair or replacement and all painted surfaces need repainting. Some minor repairs are necessary to the masonry on the house and walls in the yard.

The above scope of repairs and/or renovations may not be all inclusive. As is typical in the repair or renovation of older buildings, additional areas of repair or renovation may become apparent while scheduled projects are being conducted. The residence has not been occupied on a full-time basis for two years.

Upon Board authorization, the staff in the Office of Physical Plant will write specifications for the projects, seek cost estimates and provide that information to the Chair of the Board for oversight and budget approval. A report of the projects completed and the final cost of those projects will be provided to the Board at a subsequent meeting.

**ACCEPT 2003-04 AUDIT REPORT
AND AMEND OPERATING BUDGET**

**BOR (VII-A-6)
December 16, 2004**

Recommendation:

That the Board accept the audit report for the fiscal year ended June 30, 2004 as presented by Crowe, Chizek and Company, accept the reports related to the fourth quarter financial information and capital outlay, and amend the operating budget for the 2003-04 fiscal year.

Background:

KRS 164A.570 requires an annual audit to be conducted by all universities in the state system. The audit is to be conducted by an independent public accounting firm. At the June 11, 2004 meeting the Board of Regents approved the recommendation of the Audit Committee for the appointment of Crowe, Chizek and Company to conduct the 2003-04 fiscal year audit. The Board also approved the Audit Committee's recommendation for the minimum scope of the audit work to be performed.

The Audit Committee met on December 16, 2004. Ms. Laurie Haun, a CPA with Crowe, Chizek and Company, presented the University's audited financial statements to the Committee for acceptance. The audit report was issued with an unqualified opinion on the financial statements.

The information contained in the audited financial statements is reflective of all transactions for the fiscal year and serves as the University's fourth quarter financial report to the Board. Also presented as a part of the fourth quarter financial report are amendments to the operating budget and a capital outlay status report.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period April 1, 2004 to June 30, 2004

Description	Opening Budget	Amended Budget As of 4/1/2004	Adjustments	Amended Budget As of 6/30/2004
Revenues and Other Additions				
Tuition and Fees	\$ 31,880,800	\$ 32,429,082	\$ 37,984	\$ 32,467,066
Government Appropriations	42,647,100	40,006,900	2,635,698	42,642,598
Government Grants & Contracts	50,000	50,000	-	50,000
Indirect Cost Reimbursement	356,000	403,348	-	403,348
Sales and Services of Ed. Activities	847,550	1,146,485	117,276	1,263,761
Other Sources	1,562,748	2,051,389	290,447	2,341,836
Budgeted Fund Balance - E&G	6,599,952	7,498,586	-	7,498,586
Auxiliary Enterprises	12,022,650	12,041,964	309,788	12,351,752
Budgeted Fund Balance - AUX	320,000	387,668	-	387,668
Total Revenues and Other Additions	\$ 96,286,800	\$ 96,015,422	\$ 3,391,193	\$ 99,406,615
Expenditure Authorizations by Division				
Educational & General				
President & Administration	\$ 618,547	\$ 688,662	\$ 31,671	\$ 720,333
University Relations	2,058,709	2,252,780	110,201	2,362,981
Development	846,373	860,298	32,490	892,788
Planning, Budgets & Technology	2,993,731	2,764,105	275,891	3,039,996
Administration & Fiscal Services	9,558,339	10,168,394	95,028	10,263,422
Student Life	13,727,801	13,565,336	149,771	13,715,107
Academic Affairs	43,712,816	44,301,635	669,985	44,971,620
Debt Service & Mandatory Transfers	2,871,821	2,782,149	(49,665)	2,732,484
Other	7,731,334	6,394,571	1,187,360	7,581,931
Total Educational & General	\$ 84,119,471	\$ 83,777,930	\$ 2,502,732	\$ 86,280,662
Auxiliary Enterprises				
Planning, Budgets & Technology	\$ 282,684	\$ 281,584	\$ -	\$ 281,584
Administration & Fiscal Services	8,131,968	8,449,654	661,357	9,111,011
Student Life	921,389	949,113	77,125	1,026,238
Debt Service	2,721,288	2,721,288	(21)	2,721,267
Other	110,000	(164,147)	150,000	(14,147)
Total Auxiliary Enterprises	\$ 12,167,329	\$ 12,237,492	\$ 888,461	\$ 13,125,953
Total Expenditure Authorizations	\$ 96,286,800	\$ 96,015,422	\$ 3,391,193	\$ 99,406,615

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period April 1, 2004 to June 30, 2004
Notes of Significant Adjustments to Revenue and Other Additions

Government Appropriations

Government Appropriation increase adjustments totaled \$2,635,698 in the fourth quarter.

- The state imposed a budget reduction of operating appropriations totaling \$2,640,000 for FY 2003-2004. The budget transfer to reflect this loss in state funding was recorded in the third quarter. However, \$1,501,300 of this reduction was delayed to FY 2004-05. State appropriations were adjusted in the fourth quarter to reverse this loss of revenue previously recorded in the third quarter.
- State appropriations were increased by \$91,100 to recognize appropriations for operating purposes that were previously allocated for state funded debt service.
- Unbudgeted revenue totaling \$1,000,000 was received from the CPE Regional University Excellence Trust Fund Endowment Program during the fourth quarter and subsequently transferred to the MSU Foundation
- Unbudgeted revenue totaling \$43,298 from Kentucky Law Enforcement Foundation Program Fund was allocated to Public Safety for incentive pay for police officers.

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the fourth quarter totaled \$117,276.

- Eagle Athletic Fund (EAF) support from the MSU Foundation totaled \$17,226. The funds were budgeted in various athletic programs.
- Other athletic unbudgeted revenue totaled \$33,483 and was allocated to various athletic programs.
- Unbudgeted farm income and veterinary services fee income totaled \$26,402. These funds were allocated to the division of Academic Affairs (Agriculture & Vet. Tech. programs)

Other Sources

Budget allocations from other sources increased by \$290,447 in the fourth quarter.

- Unbudgeted support from the MSU Foundation totaled \$23,630 and was allocated primarily to the division of Academic Affairs.
- Unbudgeted endowment income from the MSU Foundation totaling \$1,150 was received and allocated to academic programs.
- Miscellaneous other income totaling \$265,667 was received and allocated primarily to the divisions of Academic Affairs, Administration & Fiscal Services, and E&G – Other to transfer to construction projects.

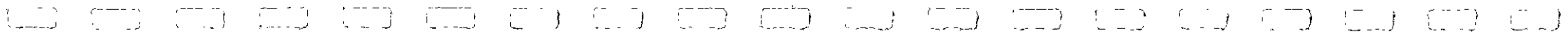
Auxiliary Enterprises

Unbudgeted revenue from auxiliary enterprises totaled \$309,788 in the fourth quarter.

- \$252,621 was allocated to the University Bookstore
- \$56,092 was allocated to Concessions & Vending

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period April 1, 2004 to June 30, 2004

<u>From:</u> <u>Revenue and Other Additions</u>	<u>To:</u> <u>Division/ Budget Unit</u>	<u>Amount</u>	<u>Description</u>
Government Appropriations State Appropriations - Operating Base	E&G - Other Undistributed Institutional Support	\$ 1,501,300	The state imposed a recurring budget reduction in appropriated operating funds totaling \$1,138,900 in FY 2003-04. In addition, the state required MSU to pay \$1,501,300 from restricted funds (i.e. tuition & fee revenue and other University generated income) on a one-time basis. Therefore, MSU was to receive \$2,640,000 less in state appropriations in FY 2003-04. The budget transfer to reflect this loss in state funding was recorded in the third quarter. However, the one-time reduction was not imposed in FY 2003-04. When the state passes a budget in FY 2004-05, we expect to have our appropriation reduced by \$1,501,300. Since this portion of the reduction did not occur in FY 2003-04, state appropriations were adjusted in the fourth quarter to reverse the one-time loss in revenue previously recorded in the third quarter.
Endowment Trust Fund	Non-Mandatory Transfers Transfer to Endowment	\$ 1,000,000	State funds were received from the CPE Regional University Excellence Trust Fund Endowment Program during the fourth quarter and subsequently transferred to the MSU Foundation where endowment funds are managed.



MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of April 1, 2004 to June 30, 2004

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$100,000			
None			
II Capital Construction Projects/ Land Acquisitions Greater than \$400,000			
1998-00 Deferred Maintenance and Government Mandates Pool (Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Elevator Upgrades/Installation (RH, LC, CY)	\$ 350,000	March, 2001	Completed
Fire Alarm Upgrades/Replacement	150,000	October, 2000	Completed
Mechanical System Replacements (AA, ADUC)	250,000	January, 2001	Completed
Window Replacement (BM)	150,000	August, 2001	Completed
Window Replacement (CB)	300,000	July, 2000	Completed
Window Replacement (LC)	150,000	August, 2000	Completed
Dam Restoration	800,000		In Progress
	<u>\$ 2,150,000</u>		
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project I - 1999	\$ 1,490,000	November, 1999	Completed
Project II - 2000	1,580,000	September, 2000	Completed
Project III - 2001	980,000	August, 2001	Completed
Project IV - 2002	800,000	August, 2002	Completed
Project V - 2003	3,000,000	August, 2003	Completed
	<u>\$ 7,850,000</u>		
Wellness Center - Phase III	\$ 450,000		Bid
Bond Issue			
Button Auditorium Renovation	\$ 750,000		Planning

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

**BOR (VII-A-7)
December 16, 2004**

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, 2005, and amend the operating budget.

Background:

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of September 30, 2004, the first quarter of the fiscal year ending June 30, 2005. The statements, along with management's discussion and analysis and budget amendment information are attached.

Management's Discussion and Analysis
First Quarter Financial Statements
Morehead State University
September 30, 2004

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the three months that ended on September 30, 2004. The statements and this discussion and analysis have been prepared by Administration and Fiscal Services staff.

Using These Financial Statements

This report consists of two basic financial statements. The Statements of Net Assets includes information about the assets, liabilities and net assets, or fund balances, of the entire University. The Statements of Revenues, Expenditures and Changes in Fund Balance provides information about the unrestricted current funds revenues, expenditures and transfers of the University. The statements are prepared on an accrual basis and reflect the results of all transactions that affect the financial status of Morehead State University. These financial statements have not been prepared in full accordance with *Government Accounting Standards Board Statement 35 (GASB 35)*. Interim statements are prepared using a fund approach to facilitate budget comparisons and management decisions. Year-end statements are prepared in the GASB 35 format.

Financial Highlights

Morehead State University's financial picture remains stable through the first quarter of the 2004-2005 fiscal year. During the period July 1, 2004 through September 30, 2004 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$14,654,879. This level of operating surplus is expected at this time, since most of the billings for the Fall 2004 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2004 are reflected, and will continue to be more evenly reflected during the fiscal year. As the year concludes, the variance between revenues and expenditures will decrease and should reflect a more appropriate operating surplus or deficit.

State appropriations (less debt service) were decreased by approximately \$.473 million or 1% during the 2003-2004 fiscal year. The 2004-2005 budget reflects anticipated budget cuts enacted by the Commonwealth of Kentucky from the University's share of state appropriations that must be returned for this fiscal year. Higher Education as a whole was required to cut 2.5% of general fund appropriations or \$23,403,799 this year. Morehead State University's share of that amount was \$1,138,900 or 2.8% of budgeted state operating appropriations. The University's share was determined by a benchmarking process calculated by the Council on Postsecondary Education. The Administration anticipated a cut within this magnitude and was prepared in its cost cutting plan for a reduction like this on a non-recurring basis.

In addition, the Commonwealth of Kentucky has imposed an additional non-recurring reduction of 2.5% of restricted funds (i.e. revenue from tuition and fees, sales and services of educational activities, and auxiliary services) or \$41,000,000 for all of Higher Education, of which

Morehead State University's share is \$1,501,300, or 3.3% of budgeted restricted funds. Originally this reduction was due to be imposed in fiscal 2003-2004. Due to restrictions in the Kentucky Revised Statutes, the Commonwealth was unable to retrieve these monies until the new fiscal year. The University has set aside the money for this reduction in anticipation of this future payment request.

Significant trends and variances for the three months are summarized as follows:

- As can be seen from the Statements of Net Assets, cash and investments increased approximately \$4.5 million from the first quarter of the previous year. The majority of the increase in cash and investments consists of a \$3.6 million increase in endowment investments, a \$4.1 million increase in restricted cash, a \$1.9 million decrease in Plant fund investments, \$ 1.5 million decrease in the unrestricted cash, and a \$.2 million increase in state cash accounts.
- Accounts receivable decreased \$.9 million as a whole compared to September 30, 2003, with the decrease due to more timely collections attributable to the movement of student pre-registration to the Web Server, and increased usage of the web for students to pay their bills, which has created more availability of payment options for students to take care of their accounts.
- The net investment in capital assets has increased about \$1.2 million since September 30, 2003 but for the fiscal year the increase has been approximately \$2.2 million. This fiscal year increase relates mainly to the antenna project \$.8 million, the student center renovation \$.5 million, and various internally managed projects and equipment purchases \$.9 million, less estimated depreciation (about \$.7 million), for a net increase of approximately \$1.5 million.
- The percentage of revenue assessments compared to budget projections appears to be in line with expectations through the first quarter of a fiscal year, considering that most tuition, fee and housing revenues had been billed as of September 30, 2004. Budgets for the major revenue categories of tuition and housing were based on projections of enrollment and residence hall occupancy.
- Expenditure trends also appear to be proceeding according to the budget plan, considering normal cyclical and timing differences.

MOREHEAD STATE UNIVERSITY
Statements of Net Assets
September 30, 2004 and 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash	\$29,586,610	\$27,281,880
Investments in US government obligations - at cost	26,585,295	24,371,403
Accounts Receivable	11,873,599	12,781,850
Inventories	1,630,488	1,675,081
Notes Receivable	3,727,378	3,682,367
Land, Buildings, Equipment and Library Collection- net of depreciation	<u>117,047,741</u>	<u>113,336,062</u>
TOTAL ASSETS	<u>\$190,451,111</u>	<u>\$183,128,643</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$591,534	\$616,959
Accrued salaries and other liabilities	1,429,360	1,625,365
Unearned revenues-state and federal grants	1,731,379	1,979,634
Deposits	1,561,049	1,827,753
Accrued vacation pay	2,383,889	1,368,992
Bonds and notes payable	<u>37,710,201</u>	<u>35,219,191</u>
Total Liabilities	<u>\$45,407,412</u>	<u>\$42,637,895</u>
Net Assets		
Capital	\$79,337,540	\$78,116,871
Non-capital		
Restricted	34,384,919	32,008,434
Non-restricted	<u>31,321,240</u>	<u>30,365,444</u>
Total Net Assets	<u>\$145,043,699</u>	<u>\$140,490,749</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$190,451,111</u>	<u>\$183,128,643</u>

ANALYSIS OF NON-RESTRICTED FUND BALANCE

Allocations		
Working Capital		
Accounts Receivable	\$6,251,551	\$8,750,121
Inventories	1,630,488	1,675,081
Cashier's Operating Funds	100,000	100,000
Budgeted Fund Balance-Capital Projects	2,877,892	4,465,395
Budgeted Fund Balance-Non-capital Projects	<u>4,919,883</u>	<u>3,498,736</u>
Total Working Capital	<u>\$15,779,814</u>	<u>\$18,489,333</u>
Funded Reserves		
Total Allocated Fund Balance	<u>\$17,527,241</u>	<u>\$19,754,596</u>
Unallocated Fund Balance	<u>13,793,999</u>	<u>10,610,848</u>
Total Unrestricted Fund Balance	<u>\$31,321,240</u>	<u>\$30,365,444</u>

See Attached Notes To Statements of Net Assets

**NOTES TO STATEMENTS OF NET ASSETS
MOREHEAD STATE UNIVERSITY
SEPTEMBER 30, 2004 AND 2003**

1. These Statements of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts receivable are shown net of allowance for uncollectible student accounts of \$484,677 at September 30, 2004, and \$221,416 at September 30, 2003. Also included in this category is the sum of \$5,648,097 receivable from federal and state grant agencies at September 30, 2004 and \$4,412,794 at September 30, 2003.
3. Notes receivable represent balances owed the University from borrowers who have participated in the National Direct Student Loan Program and the Nursing Student Loan Program. The balances are presented net of allowances for uncollectible accounts in the amount of \$127,344 at September 30, 2004, and \$151,885 at September 30, 2003.
4. Accumulated depreciation on buildings and equipment was \$112,417,467 at September 30, 2004, and \$107,133,650 at September 30, 2003.
5. Accrued salaries and other liabilities include amounts due for withheld and matching portions of payroll taxes and estimated claims payable but unsubmitted to the University's health insurance program.
6. Unearned revenues from federal and state grants represent amounts received but not expended at the balance sheet dates.
7. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets.
8. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
9. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Three Months Ended September 30, 2004 and 2003

	2003-2004			2003-2004		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$ 35,975,200	\$ 19,417,544	53.97%	\$ 31,885,800	\$ 17,400,782	54.57%
Gov't Appropriations	41,579,700	12,586,071	30.27%	42,647,100	12,831,659	30.09%
City Grants	30,000	0	0.00%	50,000	0	0.00%
Unrestricted Gifts	0	0		0	0	
Indirect Cost Reimbursement	361,000	154,766	42.87%	356,000	140,891	39.58%
Sales & Services of Ed. Activities	1,100,543	604,973	54.97%	1,060,704	530,297	49.99%
Other Sources	1,638,511	647,176	39.50%	1,773,854	648,398	36.55%
Budgeted Fund Balance - E & G	7,447,249	0		7,388,186	0	
Total Educational and General	<u>\$ 88,132,203</u>	<u>\$ 33,410,530</u>	<u>37.91%</u>	<u>\$ 85,161,644</u>	<u>\$ 31,552,027</u>	<u>37.05%</u>
Auxiliary Enterprises						
Housing	\$ 7,463,200	\$ 3,557,413	47.67%	\$ 8,162,068	\$ 3,673,500	45.01%
University Store	3,442,385	1,898,528	55.15%	3,369,000	1,697,503	50.39%
Food Services	712,500	163,336	22.92%	678,750	159,029	23.43%
Other	341,834	63,441	18.56%	200,500	74,212	37.01%
Total Auxiliary Enterprises	<u>\$ 11,959,919</u>	<u>\$ 5,682,718</u>	<u>47.51%</u>	<u>\$ 12,410,318</u>	<u>\$ 5,604,244</u>	<u>45.16%</u>
TOTAL REVENUES	<u>\$ 100,092,122</u>	<u>\$ 39,093,248</u>	<u>39.06%</u>	<u>\$ 97,571,962</u>	<u>\$ 37,156,271</u>	<u>38.08%</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Three Months Ended September 30, 2004 and 2003

	2003-2004			2003-2004		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$ 709,972	\$ 164,092	23.11%	\$ 643,766	\$ 167,632	26.04%
University Relations	2,258,948	586,707	25.97%	2,257,899	610,930	27.06%
Development	922,488	239,976	26.01%	883,259	207,062	23.44%
Administration & Fiscal Services	9,866,919	2,685,449	27.22%	10,397,025	2,851,342	27.42%
Planning & Technology	3,758,553	1,314,565	34.98%	2,945,389	721,550	24.50%
Student Life	14,755,462	5,433,699	36.83%	13,746,133	5,285,533	38.45%
Academic Affairs	46,041,883	9,452,769	20.53%	44,894,776	9,715,991	21.64%
Other	9,682,056	1,573,520	16.25%	9,482,456	1,394,371	14.70%
Total Educational & General	<u>\$ 87,996,281</u>	<u>\$ 21,450,777</u>	<u>24.38%</u>	<u>\$ 85,250,703</u>	<u>\$ 20,954,411</u>	<u>24.58%</u>
Auxiliary Enterprises						
Housing	\$ 8,149,200	\$ 975,403	11.97%	\$ 8,328,760	\$ 1,172,288	14.08%
University Store	3,050,400	1,831,667	60.05%	3,126,069	1,382,913	44.24%
Food Services	408,022	66,738	16.36%	420,487	99,812	23.74%
Other	488,219	113,784	23.31%	445,943	118,757	26.63%
Total Auxiliary Enterprises	<u>\$ 12,095,841</u>	<u>\$ 2,987,592</u>	<u>24.70%</u>	<u>\$ 12,321,259</u>	<u>\$ 2,773,770</u>	<u>22.51%</u>
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	<u>\$ 100,092,122</u>	<u>\$ 24,438,369</u>	<u>24.42%</u>	<u>\$ 97,571,962</u>	<u>\$ 23,728,181</u>	<u>24.32%</u>
NET CHANGE IN FUND BALANCE		<u>\$ 14,654,879</u>			<u>\$ 13,428,090</u>	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period July 1, 2004 to September 30, 2004

Description	Opening Budget	Adjustments	Amended Budget As Of 9/30/2004
Revenues and Other Additions			
Tuition and Fees	\$ 35,975,200	\$ -	\$ 35,975,200
Government Appropriations	41,579,700	-	41,579,700
Government Grants & Contracts	30,000	-	30,000
Indirect Cost Reimbursement	361,000	-	361,000
Sales and Services of Ed. Activities	886,200	214,343	1,100,543
Other Sources	1,495,617	142,894	1,638,511
Budgeted Fund Balance - E&G	7,000,249	447,000	7,447,249
Auxiliary Enterprises	11,809,000	9,885	11,818,885
Budgeted Fund Balance - AUX	141,034	-	141,034
Total Revenues and Other Additions	<u>\$ 99,278,000</u>	<u>\$ 814,122</u>	<u>\$ 100,092,122</u>
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 652,035	\$ 57,937	\$ 709,972
University Relations	2,144,125	114,823	2,258,948
Development	855,616	66,873	922,489
Planning & Technology	2,875,189	883,364	3,758,553
Administration & Fiscal Services	9,596,218	270,701	9,866,919
Student Life	14,685,964	69,498	14,755,462
Academic Affairs	44,961,267	1,080,616	46,041,883
Debt Service & Mandatory Transfers	2,961,122	(714,545)	2,246,577
Other	8,495,407	(1,059,929)	7,435,478
Total Educational & General	<u>\$ 87,226,943</u>	<u>\$ 769,338</u>	<u>\$ 87,996,281</u>
Auxiliary Enterprises			
Planning & Technology	\$ 282,757	\$ -	\$ 282,757
Administration & Fiscal Services	7,542,641	324,657	7,867,298
Student Life	909,659	158,280	1,067,939
Debt Service	2,674,966	-	2,674,966
Other	641,034	(438,153)	202,881
Total Auxiliary Enterprises	<u>\$ 12,051,057</u>	<u>\$ 44,784</u>	<u>\$ 12,095,841</u>
Total Expenditure Authorizations	<u>\$ 99,278,000</u>	<u>\$ 814,122</u>	<u>\$ 100,092,122</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period July 1, 2004 to September 30, 2004
Notes of Significant Adjustments to Revenue and Other Additions

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the first quarter totaled \$214,343.

- Athletic guarantee income totaling \$110,000 was allocated as follows:
 - \$100,000 Men's Basketball
 - \$ 10,000 Women's Basketball
- Eagle Athletic Fund (EAF) support from the MSU Foundation totaled \$104,303. The funds were budgeted in various athletic programs.

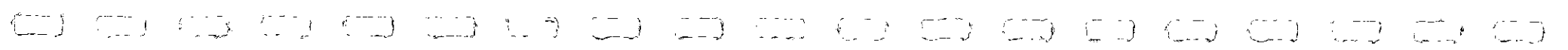
Other Sources

Budget allocations from other sources increased by \$142,894 in the first quarter.

- Unbudgeted support from the MSU Foundation totaled \$69,702
 - \$40,004 University Relations
 - \$16,276 Development
 - \$13,331 Academic Affairs
 - \$ 91 Administration & Fiscal Services
- Miscellaneous other income totaling \$45,460 was received and allocated primarily to the divisions of Academic Affairs and University Relations.

Budgeted Fund Balance – E&G

Grant reimbursement for personnel expenditures received in FY 2003-04 from NASA totaled \$447,000. These funds are allocated for the antenna project.



MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period July 1, 2004 to September 30, 2004

<u>From:</u> <u>Revenue and Other Additions</u>	<u>To:</u> <u>Division/ Budget Unit</u>	<u>Amount</u>	<u>Description</u>
Budgeted Fund Balance - E&G	E&G Non-Mandatory Transfers Transfer to Unexpended Plant	\$ 447,000	Funds to be received from indirect cost reimbursement from the 2003-04 NASA grant for the antenna project were recognized as revenue on June 30, 2004. These funds elapsed to the unrestricted fund balance on July 1, 2004 and were subsequently allocated in the first quarter to contribute toward the cost of the antenna project.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of July 1, 2004 to September 30, 2004

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$100,000			
None			
II Capital Construction Projects/ Land Acquisitions Greater than \$400,000			
1998-00 Deferred Maintenance and Government Mandates Pool (Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Elevator Upgrades/Installation (RH, LC, CY)	\$ 350,000	March, 2001	Completed
Fire Alarm Upgrades/Replacement	150,000	October, 2000	Completed
Mechanical System Replacements (AA, ADUC)	250,000	January, 2001	Completed
Window Replacement (BM)	150,000	August, 2001	Completed
Window Replacement (CB)	300,000	July, 2000	Completed
Window Replacement (LC)	150,000	August, 2000	Completed
Dam Restoration	800,000	September, 2004	Completed
	<u>\$ 2,150,000</u>		
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project I - 1999	\$ 1,490,000	November, 1999	Completed
Project II - 2000	1,580,000	September, 2000	Completed
Project III - 2001	980,000	August, 2001	Completed
Project IV - 2002	800,000	August, 2002	Completed
Project V - 2003	3,000,000	August, 2003	Completed
	<u>\$ 7,850,000</u>		
Wellness Center - Phase III	\$ 450,000		Bid
Bond Issue			
Button Auditorium Renovation	\$ 750,000		Planning

APPROVE NEW PERSONNEL POLICY PG-59, RETURN TO WORK PROGRAM FOR OCCUPATIONAL ILLNESS OR INJURY, APPROVE REVISION OF PG-27, WORKERS' COMPENSATION, AND APPROVE REVISION OF PSNE-3, OVERTIME PAY FOR EMPLOYEES CLASSIFIED AS STAFF NONEXEMPT

**BOR (VII-A-8)
December 16, 2004**

Recommendation:

That the Board of Regents approve the adoption of new Personnel Policy PG-59, Return to Work Program for Occupational Illness or Injury and the revision of PG-27, Workers' Compensation, and PSNE-5, Overtime Pay for Employees Classified as Staff Nonexempt.

Background:

PG-59, Return to Work Program for Occupational Illness or Injury (New Policy)

Effective July 1, 2004, the University adopted a managed care workers' compensation program in an attempt to improve the efficiency and reduce the cost of workers' compensation administration. A Return to Work initiative for employees who experience occupational injuries or illnesses is central to a managed care philosophy in order to return the injured or ill employee to work as expeditiously as possible. Research clearly shows a strong, positive correlation between an employee's rapid return to work, even in a reduced capacity, and his/her eventual return to full employment with the same employer.

PG-59 outlines the administration of the Return to Work Program, including eligibility and procedural requirements, timelines, and financial considerations.

PG-27, Workers' Compensation (Revision)

PG-27, Workers' Compensation, is being revised to more accurately reflect the procedures of the managed care workers' compensation program adopted by the University on July 1, 2004. Policy revisions include operational changes and clarify the eligibility parameters for temporary total disability (time completely off work due to an occupational injury or illness) that have always been in effect at Morehead State University but were not clearly communicated in the previous policy revision.

PSNE-5, Overtime Pay for Employees Classified as Staff Nonexempt (Revision)

PSNE-5 is being revised for three reasons – to comply with the Kentucky Department of Labor (KYDOL) opinion regarding the University's use of compensatory time in lieu of overtime wages, to clarify the definition of hours worked relative to the overtime rules, and to clarify the definition, use, and disposition of equivalent time.

The use of compensatory time off in lieu of overtime wages is allowable for governmental agencies. While the University is considered eligible under the federal guidelines, KYDOL investigators have ruled that the University is not considered a governmental agency for this purpose. Therefore, the use of compensatory time in lieu of overtime wages at Morehead State University is not allowable. This revision puts the University in compliance with the KYDOL determination.

Under the previous revision of this policy, time paid but not worked (i.e., vacation or sick days) was counted as hours worked in the calculation of overtime wages. While this practice is legal, it is managerially inefficient. This revision excludes hour paid but not worked from the overtime calculations.

The practice of utilizing equivalent time (giving time off at a later date, on a straight-time basis, for hours worked between 37.5 and 40 hours per week) has been long used as a time-management strategy by University supervision. However, this legal practice has not heretofore been clearly conveyed in a policy. This policy revision sets forth the definition and use of equivalent time.

The Staff Congress and Faculty Senate have been afforded the opportunity to review and comment on the adoption of the new and revised policies set forth in this recommendation.

1 Policy: PG-59

2
3 Subject

4
5 Return to Work Program
6 For Occupational Illness or Injury

7
8 Approval Date: December 16, 2004
9

10 PURPOSE: To define modified duty placement in accordance with Workers'
11 Compensation and the Family & Medical Leave Act of 1993.

12
13 The health and welfare of all employees is of great importance to
14 Morehead State University. It is well documented that injuries affect
15 the whole person and that effective rehabilitation and treatment must
16 address the whole person. Part of that treatment includes keeping
17 physically and mentally active, within the restrictions of the particular
18 injury or illness. Morehead State University will make every effort to
19 help employees maximize their healing and facilitate the opportunity to
20 return to work.
21

22 The Return to Work Program is designed to assist employees who are
23 injured on the job, suffer from an occupational illness, and are
24 temporarily restricted from performing their regularly assigned duties
25 by, when possible, modifying their work assignments for a period of
26 time generally not to exceed three calendar months. Continuation of the
27 program after three months will be considered on a case-by-case basis.
28

29 DEFINITION: Modified duty is defined as alternative work arrangements for
30 employees who are recovering from an occupational injury or illness.
31 This may involve a temporary reassignment of the employee to an
32 entirely new job or it may consist of allowing the worker to perform
33 his/her regular job with modified duties. Modified duty may also
34 include a temporary exclusion of certain tasks from the employee's
35 regular job duties.
36

37 ELIGIBILITY: Any regular, full time or part time employee of Morehead State
38 University who:

- 39
40 a. Sustains an injury or illness that arises out of the course and
41 scope of employment and is a compensable injury or illness
42 as defined under Kentucky Workers' Compensation;
43

44 And
45

- b. Is temporarily unable to perform his or her full duties as determined by their treating physician;

And

- c. Is capable of carrying out work of a modified nature as evidenced by a written statement from a physician with the expectation of returning to full duties.

POLICY:

The department head or other appropriate department representative shall fully consider and attempt a modified duty placement of the injured employee.

Employees eligible for Family and Medical Leave, PG-52, who can perform the full range of job duties, have the right to return to work on a reduced hours schedule and use FML entitlement on an intermittent basis. Employees who require a reduction of hours and an alteration of duties may be entitled to use Family and Medical Leave entitlement.

In deciding the practicality of modified duty placement solely involving altered duties or when an employee has exhausted Family and Medical Leave, management must address each situation on a case-by-case basis. Such factors as medical considerations, physical restrictions, work availability and demands, flexibility in scheduling, and /or other interests of the University should be considered when reviewing such modified duty placement.

PROCEDURE:

1. The employee shall provide the supervisor with a fitness-for duty medical certification completed by the attending physician. This certification shall indicate that the employee may return to work with noted limitations or restrictions for a specified period of time.
2. The employee's supervisor may communicate with the attending physician or the Office of Human Resources to clarify and obtain specifics on physical restrictions and limitations relative to job duties and responsibilities, work availability, workload demands, etc. in determining the practicality of modified duty placement.
3. Every effort will be made to place the employee in a modified duty assignment within the employee's current department or unit.
4. If it is determined that there are no modified duty jobs available in the employee's current department, the modified duty assignment may be made by the Office of Human Resources.

90 5. If it is determined that a modified job assignment is possible, this
91 offer will be made in writing to the employee identifying the new
92 assignment.
93

94 6. The employee will signify his or her acceptance by signing the letter
95 of offer. Failure to report for work on the start date of modified duty, as
96 written in the job offer letter, will be interpreted as a refusal of the offer.
97

98 7. In the event that an employee refuses a modified duty job offer that
99 is within the employee's medical restrictions, the employer is not
100 obligated to provide alternatives. The employee may also be subject to
101 termination and/or cancellation of income benefits under Workers'
102 Compensation Insurance.
103

104 8. In the event that an employee's physician determines that the
105 employees' injury/illness has resulted in a permanent disability as
106 defined in the Americans With Disabilities Act (ADA), the employee
107 should notify their supervisor and the ADA Compliance Officer.
108

109 SALARY AND
110 WAGE

111 ADMINISTRATION:

The employee's wages under this policy will continue at their current
base salary. Wages will be paid from the employee's regular
departmental salary account. If modified duty assignment is outside the
employee's current department, wages will be paid from the employee's
regular departmental salary account and then reimbursed by the
Workers' Compensation account.
112
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1 Policy: PG-27

2 Subject

3
4 Workers' Compensation

5 Approval Date: 07/01/85

6 Revision Date: 03/26/87

7 Revision Date: 12/16/2004

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11 PURPOSE:

To outline the procedure to be followed in the event of an ~~on-the-job~~ occupational injury or occupational illness.

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14 ELIGIBILITY:

All types of University employment, full-time or part-time, are covered by the provisions of the Kentucky Workers' Compensation Act and Morehead State University Workers' Compensation Program if an ~~accident or~~ occupational injury or illness arises out of and in the course of employment, unless self-inflicted or due to willful misconduct or intoxication.

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21 POLICY:

The University contracts with a managed care organization to provide medical treatment, case management and other related services. An employee who suffers an occupational injury or illness shall be seen only by a physician or other medical provider designated by the managed care organization. Failure to see a physician or other medical provider designated by the managed care organization shall result in denial of payment, unless the injury is of such severity and urgency that it requires immediate medical attention.

The name and/or location of an approved physician or other medical provider shall be furnished when an occupational injury or illness is reported.

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34 EMPLOYEE
35 RESPONSIBILITY:

It is the legal responsibility of any employee involved in a ~~job-related~~ occupational injury ~~accident~~ or illness to report the ~~accident~~ injury or illness to the supervisor, or another supervisor if the employee's supervisor is not available, as soon as practicable after the occurrence of the accident.

An employee receiving medical treatment or evaluation for a work-related injury is required to provide a copy of the return-to-work authorization to the immediate supervisor and the Office of Human Resources. The return-to-work authorization lists any work restrictions and shall be completed by the attending physician or other medical provider.

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45 INVESTIGATION

Supervisors have the responsibility for reporting the injury or illness

OF ACCIDENTS:

by calling Morehead State University's Workers Compensation Administrator. Failure to report a work-related injury or disease exposure may result in a denial of a claim and/or appropriate discipline for the responsible supervisor, investigating the accident or illness and submitting a Supervisor's Investigation Report Form within 24 hours of the accident to the Office of Personnel Services. The Office of Personnel Services is responsible for setting into motion the necessary procedures to provide appropriate workers' compensation coverage to the employee.

The University may require an employee to submit to an independent medical evaluation and/or a vocational assessment. Generally, an independent medical evaluation and/or a vocational assessment shall be given presumptive weight in making decisions on workers' compensation claims.

The University may take appropriate disciplinary action and/or deny benefits in cases where an employee (a) falsifies official documents, (b) refuses to cooperate in claims processing, or (c) acts in a fraudulent manner.

COVERAGES:

Medical expenses normally shall be paid in full for hospital, surgical, doctor and nursing services, and medicines and drugs, for treatment related to a job-related occupational injury or illness. If an employee is unable to work for an extended period of time because of the job-related injury or illness, indemnity payments normally are paid for the work-time lost.

The first seven (7) calendar days of any work absences resulting from occupational injury or disease is generally ineligible for indemnity payments under the Morehead State University Workers Compensation Program. However, if the work absences exceed seven (7) calendar days, the employee is eligible for indemnity payments retroactive to the first day employee was off work due to the covered incident. If the disability does not exceed seven (7) calendar days, the employee may use accrued sick or vacation time for the period of disability. In the event sick or vacation time is used and the total period of disability is less than seven (7) calendar days, the cost of the absence is budgeted to the employee's unit. Otherwise, payments shall be paid and charged to the workers' compensation accounts that are administered by the Office of Human Resources.

These payments represent a percentage of the employee's average weekly wage. An employee may elect to use accumulated sick and/or vacation leave instead of receiving these payments. In such instances, the employee shall endorse the workers' compensation benefit check to the University. The amount of the workers' compensation check will be used to reinstate any vacation days and/or sick days used in that order. Calculations for reinstatement will be at the daily rate paid by the University to the

92 employee during his/her absence. In the event of death, there may be
93 certain survivor benefits for eligible dependents.

94
95 Absences for workers' compensation will be designated as Family Medical
96 Leave (FMLA), i.e., workers' compensation time off and FMLA run
97 concurrently, until one expires.

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99 ACCIDENT
00 PREVENTION:

Management at all levels has the responsibility for every operational
activity of the department, and each supervisor must accept his or her share
of the responsibility for the safety of employees.

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02
03 It is a basic principle of the University's safety philosophy that each
04 organization department is responsible for safety and that each employee,
05 in accepting employment, assumes a personal responsibility for working
06 safely. Each employee must accept the principle that compliance with
07 safety requirements is a condition of employment.

Policy: PSNE-5

Subject

Overtime Pay for Employees Classified
as Staff Nonexempt

Approval Date: 07/01/85

Revision Date: 04/30/93; 12/16/2004

PURPOSE

To establish provisions for paying overtime to employees classified as nonexempt for hours worked in excess of 40 in a workweek in accordance with the Fair Labor Standards Act of 1934 (FLSA) at the rate of one and one half times the regular rate of pay or one and one half times the hours when an employee classified as staff nonexempt works beyond 40 hours in a week.

OVERTIME
PHILOSOPHY:

As a rule, it is expected that the University's various workloads should be accomplished within the basic schedule of the workweek. It is the policy of the University to discourage overtime work situations. Each supervisor is responsible for organizing, scheduling, and staffing workloads in a manner that will avoid the development of overtime work situations wherever possible.

This policy applies to occasional situations which require overtime work, such as the extension of departmental services with a resulting peak overload or unforeseen circumstances which prevent accomplishing the work during regular hours.

Overtime, if required, shall be performed only at the recommendation of the supervisor.

OVERTIME PAY

Overtime pay is based on time actually worked and is calculated at the rate of one and one-half times the employee's regular hourly rate for each hour worked beyond 40 hours in a workweek. The University's workweek begins at 12:01 a.m. on Sunday and ends at 12:00 midnight on the following Saturday. In determining total overtime hours worked, overtime is paid only for work in excess of 40 hours per week. It is calculated as one and one half times the employee's regular rate of pay. Hours paid but not worked, including but not limited to paid sick leave, vacation leave, or holiday pay during a week will not be considered as work time in computing the 40 hours. Work performed on University holidays is at the regular rate, unless it is overtime work.

Overtime provisions also apply when an employee works in more than one department. If an employee normally works 37.5 hours per week in one department and performs services in another department, i.e. teaching a class, any hours worked between 37.5 and 40 are paid at the regular rate and hours over 40 are paid at the overtime rate.

47 Compensatory time off in lieu of overtime pay is prohibited by Kentucky Wage and
48 Hour Laws. Therefore, the employee must be paid for all overtime.

49
50 **EQUIVALENT TIME**

A full-time employee who works in excess of his/her regular weekly schedule but
51 less than 40 hours in the week shall receive equivalent time off for such hours
52 under 40. Such equivalent time off is used for absences where vacation leave
53 would be charged, is scheduled in the same manner as vacation, and is to be used
54 for such absences before vacation leave is charged.

55
56 It is permissible for the unit to pay out accumulated equivalent time by paying the
57 employee for each hour accrued to reduce their accumulated equivalent time
58 balance. Such payment must be made at the regular hourly rate of pay received by
59 the employee at the time of payment.

60
61 At the time of transfer to another unit, the transferring employee must be paid for
62 all accrued equivalent time by the unit in which it was earned. Such payment must
63 be made at the regular hourly rate of pay received by the employee at the time of
64 transfer.

65
66 **COMPENSATORY**
67 **TIME**

Normally, overtime will be paid to employees who work in excess of
68 40 hours per week; however, compensatory time, that is, granting time off for
69 working overtime in lieu of wages, may be allowed in unusual circumstances.
70 Compensatory time is discouraged by the University but can be substituted for pay
71 if the following conditions apply:

- 72 1. There is a major operational or scheduling necessity which makes it
73 mandatory to use compensatory time.
- 74 2. The employee will receive compensatory time at one and one half times
75 their hours worked.
- 76 3. The employee will receive compensatory time within the same pay period
77 in which the overtime was worked or within the next two pay periods.
- 78 4. Approval to use compensatory time has been obtained from the
79 appropriate vice president.

80
81 **RECORD OF HOURS**
82 **WORKED:**

For all employees, full-time and part-time, in positions classified as nonexempt
83 a record of total hours worked must be maintained within the administrative unit
84 for a period of three years. Hours worked must be documented in three separate
85 categories: 1) regular time, 2) equivalent time (for employees whose scheduled
86 workweek is 37.5 hours), and 3) overtime.

87 **UNAUTHORIZED WORK:**

Supervisors are required to approve any work for nonexempt employees that in
88 excess of their regular work schedule. Nonexempt employees who engage in
89 unauthorized overtime work may be subject to disciplinary action. Supervisors
90 should implement management controls to assure that unauthorized overtime work
91 is not being performed.

93
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EMERGENCY
CALL OUT:

An employee who is called out by his/her supervisor outside their normal work schedule shall be credited with a minimum of two working hours. This applies only to emergency situations in which the work to be performed has not been previously scheduled.

**APPROVE ENDOWMENT MATCH
PROGRAM SUBMISSION**

**BOR (VII-A-9)
December 16, 2004**

Recommendation:

That the Board of Regents approve the submission of new gifts eligible to be matched in the Regional University Excellence Trust Fund program.

Background:

The 1997 Higher Education Improvement Act created the Regional University Excellence Trust Fund for the purpose of providing state matching funds in response to private support of endowed chairs and professorships, graduate fellowships, and other academic purposes including scholarships.

In order to comply with guidelines outlined by the Council on Postsecondary Education, governing boards must approve each submission for matching dollars. A copy of the proposed next submission for matching funds is included for review and approval.

Prepared by: Barbara Ender

Gifts for Submission to the Council on Postsecondary Education in the "Bucks For Brains" Program

<u>Endowment Purpose</u>	<u>Amount</u>
Buffalo Trace Veterinary Medical Association Endowment - Derrickson	\$285.00
Charles Bruce Scholarship Endowment	\$25,000.00
College of Business Endowment	\$25,000.00
Harold and Noveal Crosthwaite Scholarship Endowment	\$5,000.00
Adron Doran Endowment for Educational Leadership	\$520.00
Grover and Juanita Frederick Endowment Fund	\$925.00
K. Martin Huffman SAE Memorial Scholarship Fund	\$3,310.00
Margaret Lewis Scholarship Fund	\$970.00
Colleen McCormick Scholarship Endowment	\$665.00
MSU at Mt. Sterling Scholarship Endowment	\$27,439.00
Music Research Endowment	\$100,000.00
Madison Pryor Research Endowment	\$7,505.00
Psychology Enrichment Endowment Fund	\$415.00
MSU Public Administration and Policy Professorship Endowment	\$427,050.00
Ruth Boggs Shannon and E.L. Shannon Endowment for Education	\$12,038.00
Space Science Research Endowment	\$250,000.00
Richard A. Walls Scholarship Endowment	\$1,190.00
Total	\$887,312.00

Bold indicates new matching endowment.

**ADOPT NON-RESIDENT
TUITION POLICY**

**BOR (VII-A-10)
December 16, 2004**

Recommendation:

That the Board of Regents adopt the Non-Resident Tuition Policy as presented herein, effective with the opening of 2005 fall semester.

Background:

Legal authority for Kentucky's public universities to set tuition rates was delegated to each institution's Board of Regents in April 1999 by the Council on Postsecondary Education. Tuition rates are established each biennium in accordance with the University's "Tuition Setting Parameters" and subsequently reported to the CPE as part of the process of preparing the Executive Branch Budget Request. The right to discount tuition is included in the delegation of tuition authority to the Board of Regents. It has been the practice of Morehead State University to discount tuition for selected students for nearly 20 years in order to achieve various institutional objectives, including ethnic and geographic diversity of the student body, increased enrollment of academically superior students and the building or improving of relationships with alumni through the matriculation of their children and/or grandchildren.

Historically, the University's non-resident tuition policy has been incorporated into annual, formal recommendations concerning the establishment of tuition and fees for each school year. In order to compete more effectively in the rapidly-changing marketplace for non-resident students, the University's undergraduate admissions and marketing professionals have identified the need for a separate policy document addressing non-resident tuition.

Prepared by: Keith Kappes, Brian Hutchinson, Susan Maxey, and Joel Pace

Morehead State University Non-Resident Tuition Policy

It is the policy of Morehead State University to adjust the tuition rates of non-resident students, whenever and however necessary, to assist in achieving and maintaining the University's enrollment objectives.

Under Kentucky law, a "non-resident" is defined as a person whose legal residence is outside the borders of the Commonwealth of Kentucky. As used in this policy, "undergraduate student" includes graduates of two-year institutions of higher education.

A student benefiting from a non-resident tuition rate adjustment is required to live in University housing if enrolled full time on the main campus. A student leaving University housing for any reason before completing a degree program voids his/her non-resident tuition adjustment. The Office of Housing shall monitor compliance with this requirement and make appropriate notifications as necessary.

Tuition rates may be adjusted under eight specific programs or at the discretion of the President when deemed in the best interests of the University*:

- a. Kentucky-Ohio Tuition Reciprocity Program
- b. Bordering States Tuition Program
- c. Alumni Tuition Program
- d. Regional Campus Tuition Program
- e. Graduate Assistant Tuition Program
- f. Major Scholarship Tuition Program
- g. Expanded Area Tuition Program
- h. High Potential Tuition Program

**Discretionary tuition adjustments require ratification by the Board of Regents when the next subsequent operating budget is submitted for adoption.*

a. Kentucky-Ohio Tuition Reciprocity Program

An undergraduate student or a graduate student not enrolled in online MBA courses qualifies for in-state tuition if accepted for admission unconditionally and with legal residence in any of the following Ohio counties: Adams, Athens, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton. Non-resident students enrolled in online MBA courses are assessed a specific tuition rate for that program of study.

b. Bordering States Tuition Program

A full-time undergraduate student qualifies for in-state tuition plus \$250 per semester if accepted for admission unconditionally, with an ACT composite score of 18 or higher or SAT equivalent, and legal residence in any of these counties in states bordering Kentucky:

Illinois: Alexander, Gallatin, Hamilton, Hardin, Johnson, Massac, Pope, Pulaski, Saline, Union, White, Williamson

Indiana: Clark, Crawford, Dearborn, Dubois, Floyd, Franklin, Gibson, Harrison, Jefferson, Jennings, Ohio, Orange, Perry, Pike, Posey, Ripley, Scott, Spencer, Switzerland, Vanderburgh, Warrick, Washington

Ohio: Brown, Butler, Clark, Clermont, Clinton, Fairfield, Fayette, Franklin, Greene, Hamilton, Highland, Hocking, Madison, Montgomery, Pickaway, Preble, Ross, Warren.

Missouri: Dunklin, Mississippi, New Madrid, Pemiscot, Scott, Stoddard

Tennessee: Anderson, Benton, Campbell, Carroll, Carter, Cheatham, Claiborne, Clay, Davidson, Dickson, Dyer, Fentress, Gibson, Grainger, Greene, Hancock, Hawkins, Henry, Houston, Jackson, Johnson, Knox, Lake, Macon, Montgomery, Morgan, Obion, Overton, Pickett, Robertson, Scott, Smith, Stewart, Sullivan, Sumner, Trousdale, Union, Washington, Weakly, Wilson.

Virginia: Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Washington, Wise.

West Virginia: Boone, Cabell, Kanawha, Lincoln, Logan, Mason, McDowell, Mingo, Putnam, Wayne, Wyoming.

c. Alumni Tuition Program

A full-time undergraduate student qualifies for in-state tuition if accepted for admission unconditionally, an ACT composite score of 18 or higher or SAT equivalent and is the child, grandchild or spouse of an alumnus of the University who maintains active membership in the MSU Alumni Association.

d. Regional Campus Tuition Program

An undergraduate or graduate student qualifies for in-state tuition if enrolled at a regional campus of the University located in Ashland, Jackson, Mt. Sterling, Prestonsburg or West Liberty, at the Hindman Distance Learning Site or at the University Center of the Mountains at Hazard.

e. Graduate Assistant Tuition Program

A non-resident student awarded a graduate assistantship qualifies for in-state tuition for the duration of the assistantship.

f. Major Scholarship Tuition Program

A full-time undergraduate student qualifies for in-state tuition if awarded a Presidential Scholarship or other scholarship valued at a minimum of \$2,500 per school year.

g. Expanded Area Tuition Program

A full-time undergraduate student qualifies for in-state tuition plus \$250 per semester if accepted for admission unconditionally, has an ACT composite score of 18 or higher or SAT equivalent, and legal residence in any of these counties or municipalities:

Alabama: Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, St. Clair, and Shelby.

District of Columbia

Florida: Hillsborough, Manatee, Pasco, Pinellas, Polk, Orange, Osceola, Sarasota, and Seminole.

Georgia: Carroll, Cherokee, Clayton, Cobb, Coweta, Dekalb, Douglas, Fayette, Forsyth, Fulton, and Gwinnett.

Illinois: Cook, Will, and Kankakee.

Indiana: Boone, Hamilton, Hancock, Hendricks, Johnson, Lake, Marion, Morgan, and Shelby.

Maryland: Anne Arundel, Baltimore, Calvert, Charles, Howard, Montgomery, Prince George's, and St. Mary's.

Michigan: Ingham, Jackson, Kalamazoo, Oakland, Washtenaw, and Wayne.

Missouri: St. Louis.

Ohio: Remaining counties not included in Kentucky-Ohio Reciprocity Tuition Program and Bordering States Tuition Program.

Pennsylvania: Allegheny, Beaver, Delaware, Montgomery, and Philadelphia.

Tennessee: Marion and Shelby.

Texas: Dallas and Kaufman.

Virginia: Albemarle, Arlington, Chesapeake City, Chesterfield, Fairfax, Fauquier, Henrico, Newport News City, Portsmouth City, Powhatan, Prince William, Richmond City, Virginia Beach City, and York.

h. High Potential Tuition Program

A full-time undergraduate student qualifies for in-state tuition plus \$250 per semester if accepted for admission unconditionally and with an ACT composite score of 23 or higher or SAT equivalent, regardless of place of residence.

EFFECTIVE DATE: For new students enrolling Fall 2005.

**CONFIRM BOARD MEMBERS AND APPROVE
OPERATING AGREEMENT, FRIENDS OF
KENTUCKY CENTER FOR
TRADITIONAL MUSIC, INC.**

**BOR (VII-A-11)
December 16, 2004**

Recommendation:

That the Board of Regents confirm the appointment of four new and ten returning members of the Board of Directors of Friends of the Kentucky Center for Traditional Music, Inc., as identified herein. Further, that the Board of Regents approve the operating agreement between the University and the corporation as attached.

Background:

1. Under provisions of state law, Friends of the Kentucky Center for Traditional Music, Inc. (FKCTM), formerly known as Kentucky Center for Traditional Music, Inc., was declared an affiliated corporation of Morehead State University by the Board of Regents on June 1, 2002. As such, the Board of Regents of the University must confirm the appointment of members of the FKCTM Board of Directors.

2. In addition, the relationship between the University and FKCTM is governed by a Memorandum of Understanding approved by both boards.

2. The FKCTM Board of Directors met November 10, 2004, and approved an operating agreement, subject to ratification by the Board of Regents, and appointed four new board members – J. D. Crowe of Nicholasville, and Georgia Grigsby, Ann Laurence and Matt Collinsworth of Morehead. The Board of Directors also reappointed 10 members – Ronnie Reno and Larry Cordle of Hendersonville, Tenn., Wayne Bledsoe of Rolla, Mo., Don Rigsby of Isonville, Melvin Goins of Catlettsburg, Neil Kendrick of Frenchburg, and Bradley Collins, Sandy Knipp, Sheree Greer and Keith Kappes of Morehead. All appointed board members serve three-year terms.

Prepared by: Keith Kappes

**MEMORANDUM OF UNDERSTANDING
BETWEEN MOREHEAD STATE UNIVERSITY AND
FRIENDS OF KENTUCKY CENTER FOR TRADITIONAL MUSIC, INC.**

Morehead State University (University) and Friends of Kentucky Center for Traditional Music, Inc. (FKCTM) hereby agree to the following memorandum of understanding reflecting the affiliated foundation status of FKCTM as per KRS Chapter 164A, adopted June 24, 2002, by the FKCTM Board of Directors and submitted to the Kentucky General Assembly's Administrative Regulation Review Subcommittee for adoption of the required Kentucky Administrative Regulation to authorize MSU to operate an affiliated corporation.

FKCTM Directors

The election of FKCTM Directors will be ratified by the MSU Board of Regents.

Facility Support

The University shall provide logistical assistance for FKCTM's activities in support of the Kentucky Center for Traditional Music.

Archives and Instrument Collection

FKCTM shall serve as acquisition agent for the traditional music archives and acoustic instrument collection owned by the University. The University will provide storage, conservation, registration and cataloguing services for the archives and instrument collection. FKCTM may conduct and/or sponsor educational programming relating to the archives and collection. Individual instruments in the collection may be deaccessioned when agreed upon by both parties, by following approved policies and procedures. Appraisals for the purpose of obtaining insurance and the insurance for the Collection shall be provided by the University.

Personnel

The University shall maintain, on its payroll, professional and clerical personnel who shall cooperate with FKCTM in encouraging external support of the Kentucky Center for Traditional Music. These staff members will remain in the University's employment. The Director of the Kentucky Center for

Traditional Music shall serve as liaison to the FKCTM Board of Directors which shall assist in the selection of the Director.

FKCTM Financial Responsibility

As an affiliated agency of Morehead State University, FKCTM will abide by all University regulations regarding purchases, expenditures, and record keeping, and provide quarterly financial statements of operations. Store sales and purchases, donations, grants, sponsorships, memberships, and other program and operating income and expenses will be administered through the University. In addition, the University and FKCTM shall comply with the annual audit and externally funded reimbursement provisions of KRS 164A.610 (1) and (3).

Other Support Services

FKCTM may purchase goods from the University and utilize support services including but not limited to, printing services, telecommunications, vehicle leasing, postage, computer purchases, and other purchases made through University price contracts or bidding processes. FKCTM will reimburse the University, as appropriate, for the cost of the goods and services.

Record Review

FKCTM and the University agree that access to all FKCTM legal and financial records will be available to any authorized party designated by the University's Vice President for University Relations during the life of this agreement. Activity and financial reports shall be provided by FKCTM to individuals designated by the University.

Fund Raising and Gifts Management

FKCTM will coordinate its fund raising activities with the University's Office of Development and will make reasonable efforts to solicit contributions only from donors mutually agreeable to the University and the FKCTM. Gifts to the FKCTM will be forwarded to the MSU Foundation, Inc., to be acknowledged, recorded and deposited for use by FKCTM in consultation with the University.

Duration of Agreement

This agreement shall be effective as of January 1, 2005, and shall remain in effect until such time as it is mutually amended or terminated by the University.

IN WITNESS WHEREOF, we have hereunto affixed our signatures:

For Friends of Kentucky Center for Traditional Music, Inc.

Signature

Title

For Morehead State University

Signature

Title

For Morehead State University Foundation, Inc.

Signature

Title

FALL 2004 FINAL ENROLLMENT

**BOR (VII-B-1)
December 16, 2004**

HEAD-COUNT ENROLLMENT

		% Change
2000	8,327	+1.9
2001	9,027	+8.4
2002	9,390	+4.0
2003	9,509	+1.3
2004	9,294	-2.3

FULL-TIME EQUIVALENCY

		% Change
2000	6,373	+3.3
2001	6,888	+8.1
2002	7,243	+5.2
2003	7,242	-0.0
2004	7,028	-3.0

CREDIT-HOUR PRODUCTION

		% Change
2000	99,223	+3.2
2001	107,014	+7.9
2002	112,806	+5.4
2003	112,968	+0.1
2004	109,501	-3.1

**REPORT ON HEALTH INSURANCE
FOR PLAN YEAR 2005**

**BOR (VII-B-2)
December 16, 2004**

Morehead State University is committed to providing all employees the most cost-effective health insurance coverage possible. For Plan Year 2005, the University will continue to offer a Point of Service (POS) plan and a high-deductible Consumer-Driven Health Plan (CDHP) with a Healthcare Reimbursement Arrangement (HRA) component.

For Plan Year 2004, the University initiated the CDHP in an effort to: 1) better contain overall plan costs; 2) provide an impetus for all University employees to become more informed and efficient consumers of health care services; and 3) provide first-dollar coverage for employees experiencing out-of-pocket costs. In its first year of existence, the CDHP was the plan chosen by nearly 60% of University employees. We expect this percentage to increase slightly for the 2005 Plan Year.

The University's decision in 2004 to shift from the traditional PPO and HMO plans to the CDHP has been a primary factor in the University's 2004 health care costs increasing only 6.5% over 2003 costs while the industry is experiencing between 12% and 20% increases over the same period. This performance has allowed the University administration to hold the premiums for the CDHP at 2004 levels. We expect the University's plans to continue to perform better than the national average.

The monthly employer/employee cost breakdown for each 2005 healthcare insurance plan is reflected in the following table:

**Morehead State University
2005 Health Insurance Rates**

Plan	Actual Costs	University Contribution	University HRA Contribution	Employee Cost
CHDP (Consumer Driven Health Plan)				
Single:	\$297	\$187	\$ 73	\$ 37
Two-person:	\$446	\$203	\$ 127	\$ 116
Family:	\$594	\$286	\$ 127	\$ 181
MSU Husband & Wife 2-Person*	\$446	\$374	\$ 146	\$ 0
MSU Husband & Wife Family**	\$594	\$374	\$ 146	\$ 74
POS (Point of Service)				
Single:	\$ 540	\$421	N/A	\$ 119
Two-person:	\$ 810	\$583	N/A	\$ 227
Family:	\$1,080	\$724	N/A	\$ 356
MSU Husband & Wife 2-Person*	\$ 810	\$810	N/A	\$ 0
MSU Husband & Wife Family**	\$1,080	\$842	N/A	\$ 238

* For the MSU husband and wife both employed by MSU who have no dependents on their plan, MSU will contribute two single contributions toward a 2-person plan.

** For the MSU husband and wife both employed by MSU who have dependents on their plan, MSU will contribute two single contributions toward a family plan.

Background:

Two major strategic projects were launched in 2004 that will have significant long-term impact on the University's ability to fulfill its mission. Both projects have strong support ties to each of the five major goals identified in *Pride & Promise: Morehead State University Strategic Plan 2001-2006*. Multi-year resource commitments and multi-million dollar investments in technology will be required to implement both project initiatives.

Project Overviews:

RI²SE – Reengineering Institutional Information Systems Environment – The RI²SE project uses an Enterprise Resource Planning (ERP) approach to reengineer institutional processes in conjunction with implementing a new Management Information System (MIS). Full implementation of an ERP system is expected to provide better service to faculty, students, and staff; lower business risk; and, potentially, increase revenue and reduce costs through greater efficiency. Replacement of the aging legacy system with an ERP system is expected to provide better management tools, improve service to faculty, students and staff, and increase operating and service efficiencies.

The Office of Institutional Research and Computer Application is charged with leading the RI²SE project which started with creation of a project committee structure that would facilitate broad-based input from faculty, staff and students. A formal Request for Proposals for ERP solutions was released in August 2004. Five vendors responded with proposals that were evaluated based on user-defined assessment criteria. Two vendors, SAP and Datatel, were invited to conduct on-site demonstrations of their solutions in October 2005. Staff, faculty and students participated in four days of vendor presentations which resulted in the selection of the Datatel Colleague application as the preferred solution for MSU's ERP implementation.

Datatel has 36 years of corporate experience including 26 years devoted exclusively to higher education. Over 4 million students are currently served by 637 Datatel clients running the Colleague application. Datatel continues to earn a significant share of the higher education market signing 35 new clients in 2003—twice the number signed by leading competitors. Datatel is able to maintain long-term relationships with its higher education partners demonstrated by a 98% retention rate over a 24 year period. Thirty-seven of Datatel's current clients have been a customer for over 20 years. Finally, 99.3% of Datatel clients are on currently supported releases of the Colleague application. This statistic illustrates the company's ability to evolve the Colleague application with changing technology and the changing needs of higher education customers and continue to provide clients with manageable and cost-effective upgrade options.

The total project cost is estimated at \$3.8 million including costs for hardware, application software, database software, web-interface software, output resources and professional services to support system implementation, training and data conversion. Existing technology budget resources that are currently allocated to cover debt service that will be retired in 2005-06 from prior technology acquisitions will be redirected to cover the debt service on the ERP system. The total amount to be financed is dependent upon the outcome of a federal Title III Part A grant which was submitted with a \$2 million funding request to implement a campus ERP system. MSU's proposal scored a 95 which was just under the funding cutoff of score of 96 in 2004. The Department of Education has recently announced it will award Title III Part A funds in 2005 from the existing slate of unfunded proposals received and scored in 2004 putting the MSU proposal in a favorable position for a potential award.

The timetable for project implementation calls for internal preparations and training starting in spring 2005 along with final contract negotiations, securing of necessary Board authorization for financing and verification of state capital project authorization. Actual system implementation would begin in July 2005 with anticipated on-line dates for the financial system in January 2006, Human Resources in January 2007, student systems in July 2007, and remaining auxiliary support modules in fall 2007.

MSUnplugged – The MSUnplugged project was developed based on the following premise:

Technology is currently present and will increasingly become a fundamental resource throughout a student's personal and professional life. Competency in the basic use of technology is a fundamental learning objective and considered a requirement for graduation from all academic disciplines at Morehead State University. Therefore, access to and on-going use of a computer is required for students to successfully complete degree programs and prepare to enter a technology-dependent work environment.

Currently, over 2,000 computers are maintained in student labs, classrooms and offices. Each computer is replaced every three years at an estimated cost of approximately \$700,000 annually. The distribution of computer classrooms across academic disciplines is uneven and the demand for computer classrooms is greater than the number available for assignment. Desktop computer classrooms are inefficient and rarely available for classes that could be enhanced by the part-time or periodic use of technology.

In the fall 2004 semester, network access logs documented more than 80% of students living in residence halls had a personal computer attached to the campus network. Students must go off-campus and often out-of-town for computer support and repair services. Students eligible for financial aid currently do not get credit for their computer investment in the aid need calculation.

MSUnplugged will facilitate the development of a ubiquitous technology environment at Morehead State University and thereby support the University's strategic goals of "Academic Excellence and Student Success". A short-term objective defined within the MSUnplugged project is to facilitate implementation of a wireless technology

environment on MSU's main campus and provide faculty with adequate resources to gain expertise using portable technology to improve delivery of academic programs. Long-term objectives of the MSUnplugged project are to ensure that all students attending Morehead State University have personal access to a portable computing device suitable for the student's academic program of study. Second, redirect savings generated from the reduction in the number of desktop computers that are maintained in classrooms/labs to fund specialized academic technology hardware and software needs.

MSUnplugged Project Task Table

Project Task	Estimated Completion Date	Status
1. Add wireless access ports to the existing campus data network in all academic facilities and the student center.	August 2005	In-Progress
STATUS COMMENTS: Wireless service is now available in Breckinridge Hall and Rader Hall. Six additional classroom buildings are scheduled to have wireless access by the start of the spring semester in January 2005 and all remaining classroom facilities with wireless service by the start of the fall 2005 academic year.		
2. Provide MSU faculty with the option of replacing their desktop computer with portable computer device that includes a docking station or port replication device for their primary office area.	Fall 2004	Complete
STATUS COMMENTS: Over 80% of the faculty selected to switch to a portable computing device which was received and distributed during the fall 2004 semester.		
3. Coordinate professional development opportunities for faculty to facilitate the integration of technology where appropriate throughout the curriculum.	On-going	In-Progress
STATUS COMMENTS: The MSU Center for Teaching and Learning coordinated several workshops for faculty in summer/fall 2004 on the use of portable technology. A full-time faculty support position is needed to accommodate the long-term faculty support and design needs.		
4. Establish a workgroup to identify and research solutions for academic policy and related classroom issues.	August 2005	In-Progress
STATUS COMMENTS: The academic policy and classroom issues workgroup was established in fall 2004 led by Dr. Gerald Demoss, Dean of the College of Applied Science and Technology. Extensive research and discussion related to academic policy and classroom issues has been facilitated and draft recommendations for policy/procedural changes are being developed to support a smooth implementation of student portable technology.		
5. Develop on-campus student acquisition and support services to enable students to purchase or lease recommended portable/wireless technology at discounted rates and have access to professional support and repair services.	August 2005	Complete
STATUS COMMENTS: An acquisitions and support workgroup was established in fall 2004 led by Bill Redwine, Director of Auxiliary Services. Extensive research, site visits and collaboration with other universities currently supporting student portable computers has led to the development of a draft acquisition model that could be implemented under a 'recommended' or 'mandatory' student laptop policy.		

6. Develop a plan to redirect savings from the reduction of standard computers maintained in labs/classrooms toward acquisition and support of specialized academic technology and software needs as defined within the departmental academic technology plans	TBD	Planning
STATUS COMMENTS: Plan to be developed during the year following full implementation of the mandatory student laptop program as desktop units in non-specialty classrooms/labs become available for downsizing or elimination.		

The recommended acquisition and support model was modeled after the program in place at Winona State University in Minnesota. The model provides students with a portable computer for a per semester lease fee. Under this model:

- students maintain possession of their computer during summer and break periods
- new students receive their computer during SOAR
- computers are replaced every two years
- graduates are offered a low-cost buyout option
- computers are under a full warranty with on-campus walk-in service
- replacement or loaner computer provided in the event of equipment failure
- ability to swap platforms (Mac or PC) if student changes program of study
- network server account provided for students' data storage needs
- accidental damage protection included on all computers (with deductible)
- access to academic software applications available under University site licenses
- technology-proficient students are hired as part-time workers to help provide support and repair services
- the lease cost is estimated at \$425 per semester
- could increase the amount of financial aid a student is eligible to receive if the program is implemented as a mandatory condition of enrollment—amount and eligibility will vary based on each students' personal financial aid profile

The recommended implementation timeline for the MSUnplugged project calls for students entering MSU in fall 2005 to be *strongly encouraged* to participate in the portable computer lease program and students entering fall 2006 or after to be *required* to participate. The lease program would also be available optionally to all currently enrollment MSU students returning in fall 2005. Extended campus centers would be equipped with wireless laptop carts to facilitate the use of portable technology in the classroom until wireless service can be extended into those facilities.

Summary

The recommended implementation strategy and timelines for the RI²SE and MSUnplugged projects were developed based on a broad-based input from faculty, staff, and students and guided by research of current technology practices and similar programs successfully operating at other higher education institutions. Both strategic projects are expected to improve efficiency in the delivery of services, improve quality of academic programs and reduce overall operating expenses.

PERSONAL SERVICE CONTRACTS

**BOR (VII-B-4)
December 16, 2004**

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between August 11, 2004 and November 30, 2004.

PERSONAL SERVICE CONTRACTS
August 11, 2004 through November 30, 2004

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
McBrayer, McGinnis, Leslie and Kirkland	Legal Services	September 1, 2004	June 30, 2005	\$25,000.00	Solicitation of Proposal
Frost Brown Todd LLC	Legal Services	September 1, 2004	June 30, 2005	\$15,000.00	Solicitation of Proposal
MGT of America	Consultant/Phase II Development of University Technology Plan	January 3, 2005	May 31, 2005	\$25,000.00	Contract Extension

Morehead State University

Year-to-Date Gift Income

As of October 31, 2003 and 2004

Description	Fiscal Year 2003-04	Fiscal Year 2004-05	Variance
Degreed Alumni	\$202,701.25	\$152,160.86	(\$50,540.39)
Non-degreed Alumni	2,201.50	2,332.50	\$131.00
Faculty/Staff	19,942.31	22,501.23	\$2,558.92
Retiree	8,160.00	7,550.00	(\$610.00)
Parent	13,321.66	11,974.49	(\$1,347.17)
Student	290.00	268.32	(\$21.68)
Leadership Board Members	0.00	3,020.00	\$3,020.00
Corporate Contributors	695,420.82	155,800.78	(\$539,620.04)
Foundations	682.52	5,373.78	\$4,691.26
Non-Profit Organizations	295.00	7,180.00	\$6,885.00
MSU and Student Organizations	2,781.90	3,700.00	\$918.10
Friend of MSU	47,967.04	53,904.50	\$5,937.46
GRAND TOTALS	\$993,764.00	\$425,766.46	(\$567,997.54)
Matching Gifts Received*	\$2,625.00	\$3,430.00	
Gift-in-Kind*	\$565,578.42	\$19,295.03	

**Included in totals above*

Prepared: 11/15/04

Report of New Endowments Since January 1, 2004

The following is a list of new endowments that have been established since January 1, 2004, on behalf of the University in accordance with terms of the operating agreement between Morehead State University and the MSU Foundation, Inc. MSU Foundation policy stipulates a minimum commitment of \$20,000 to establish an endowment.

Name of Endowment	Established Value
W. Paul and Lucille Caudill Little Chair	\$ 2,000,000
Space Science Research Endowment	500,000
Bonnie Eaglin Endowment for Music	325,000
MSU @ Mt. Sterling Scholarship Endowment Fund	200,000
Music Research Endowment	200,000
Miriam and Harvey Hop Scholarship Endowment	50,000
Margaret Lewis Scholarship	50,000
Colleen McCormick Memorial Scholarship	50,000
Frances Edmunson Scholarship Endowment	50,000
College of Business Endowment	50,000
Glenn Buchanan Sigma Phi Epsilon Scholarship Endowment	50,000
Virginia and Evelyn Harphan Music Scholarship	40,000

MOREHEAD STATE UNIVERSITY

AUDIT COMMITTEE MEETING

THURSDAY, DECEMBER 16, 2004
8:00 A.M., RIGGLE ROOM
ADRON DORAN UNIVERSITY CENTER



MOREHEAD STATE UNIVERSITY
BOARD OF REGENTS
AUDIT COMMITTEE
December 16, 2004

8:00 a.m. Adron Doran University Center, Riggle Room, Morehead, Kentucky

AGENDA

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVE MINUTES OF APRIL 26, 2004 MEETING
- IV. RECOMMENDATIONS AND REPORTS
 - A. Accept 2003-2004 Audit Report
 - B. *Report on Status of Internal Audits*
 - Completed Projects
 - NCAA Special Assistance Fund
 - Student-Athlete Opportunity Fund
 - MSU Police Department Evidence Room
 - Time and Effort Reporting (Follow-up)
 - Current Projects
 - Purchasing Cards
 - Federal Workstudy Program
 - Planned Projects
 - NCAA Compliance Audit
- V. OTHER BUSINESS
- VI. ADJOURNMENT

**MOREHEAD STATE UNIVERSITY
AUDIT COMMITTEE MEETING**

April 26, 2004

The Audit Committee met at 9 a.m. on Monday, April 26, 2004, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Mr. James Booth, Chair of the Audit Committee, presided.

The following committee members were present:

James Booth, Chair
Buckner Hinkle Jr.
Helen Pennington
Jerry Umberger

Other Board members present: Gene Caudill and Sylvia Lovely.

Administrative staff members present: Ronald G. Eaglin, President; Michael Walters, Vice President for Administration and Fiscal Services; Jim Fluty, Director of Accounting and Budgetary Control; Teresa Johnson, Director of Budgets; Joe Hunsucker, Internal Auditor; and other Accounting and Budgetary Control staff, administrators, and faculty.

Mr. Hinkle moved to approve the minutes of the November 14, 2003, meeting as distributed. Mr. Umberger seconded the motion. The motion carried.

RECOMMENDATION: That the Audit Committee approve the extension of the auditing services contract with Crowe, Chizek, and Company for the 2003-04 fiscal year audits.

Mr. Walters explained that the contract with Crowe, Chizek, and Company provided for options to renew the contract for four additional one-year periods. This will be the fourth year of the contract with a couple of new provisions. Both of these new audit functions will require that the auditors commit additional time and resources to the audit process. As a result, the audit fee proposed for the 2003-04 fiscal year audits has been adjusted by an additional 10 percent over and above the consumer price index. The fee will be \$50,200.

MOTION: Ms. Pennington moved that the Audit Committee approve the extension of the auditing services contract with Crowe, Chizek, and Company for the 2003-04 fiscal year audits at a fee of \$50,200. Mr. Umberger seconded the motion.

VOTE: The motion passed.

RECOMMENDATION: That the Audit Committee approves minimum scope of the annual audit for the year ending June 30, 2004.

Mr. Walters informed the Board that the *Bylaws* of the Board of Regents specify that the Audit Committee will review, evaluate, advise and recommend to the full Board the minimum scope of the annual audit. He stated that the scope of the audit must comply with all local, state, and federal audit requirements.

MOTION: Mr. Hinkle moved to approve the minimum scope of the annual audit for the year ending June 30, 2004. Mr. Umberger seconded the motion.

VOTE: The motion passed.

Mr. Hunsucker presented a Report on the Status of Internal Audits. Completed projects include the following:

- Student and Exchange Visitor Information System (SEVIS) Review
- Time and Effort Reporting

He also indicated that he is currently working on two projects: NCAA Special Assistance Fund and Travel. Two additional projects are planned: Purchasing Cards and a Time and Effort Reporting Follow-Up.

There being no further business to conduct, Mr. Umberger moved, seconded by Ms. Pennington, to adjourn at 10 a.m. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

ACCEPT 2003-2004 AUDIT REPORT

December 16, 2004

Recommendation:

That the Audit Committee accept the audit report for the fiscal year ended June 30, 2004 as presented by Crowe, Chizek and Company.

Background:

KRS 164A.570 requires an annual audit to be conducted by all universities in the state system. The audit is to be conducted by an independent public accounting firm. On June 11, 2004, the Board approved the recommendation of the Audit Committee to appoint the accounting firm of Crowe, Chizek and Company, LLP to conduct the audit for the 2003-04 fiscal year. The Board also approved at that time, the Audit Committee's recommendation for the minimum scope of the audit work to be performed.

Crowe, Chizek and Company has completed the audit for the June 30, 2004 fiscal year. The report was issued with an unqualified opinion on the financial statements. A copy of the audit report has been provided to each member of the Board of Regents.

Report to the Audit Committee
 December 16, 2004
 Joe Hunsucker, Director of Internal Audits

COMPLETED PROJECTS:

NCAA Special Assistance Fund

As required by the Presidents and the Commissioner's Office of the Ohio Valley Conference, an institutional review of the NCAA Special Assistance Fund was conducted for the fiscal year ending June 30, 2004. This audit is required to be completed annually and has been reported previously to the Board.

Objectives:

The objectives of the review were (1) to determine the adequacy of the University's Office of Athletics internal controls over expenditures and disbursements related to the NCAA Special Assistance Fund, and (2) to determine if the University was in compliance with applicable policies and procedures related to the administration of the fund.

Scope

The scope of the review was limited to applications submitted by student athletes to receive Special Assistance funds and disbursements made during the period July 1, 2003 through June 30, 2004. There were 110 disbursements totaling \$34,343.42 made during the period. 100% of the disbursements made to or on behalf of student-athletes during the period were reviewed. Student-athletes from the following teams received funding from the Special Assistance fund during the period:

<u>MEN'S SPORTS:</u>	<u>Recipients</u>	<u>Disbursements</u>	<u>Amount</u>
Basketball	6	20	\$6,391.22
CC/Track	10	13	4,800.00
Football	35	50	16,470.80
Total	51	83	\$27,662.02

<u>WOMEN'S SPORTS:</u>			
Basketball	7	15	\$2,481.40
CC/Track	5	6	2,100.00
Soccer	2	2	600.00
Softball	3	3	1,200.00
Volleyball	1	1	300.00
Total	18	27	\$6,681.40

<u>TOTAL - ALL SPORTS</u>	69	110	\$34,343.42
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Disbursements to, or on behalf of, student-athletes from the Special Assistance fund during the audit period were made for the following categories:

<u>Disbursements by Category</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>
Category 1 - Shoes/Clothing	50	15	65
Category 2 - Course Supplies	1	9	10
Category 3 - Medical/Dental	32	3	35
Total	83	27	110

Methodology:

The methodology for the audit included a review of (a) student-athlete applications requesting Special Assistance funds, (b) financial aid files for those student-athletes, and (c) documentation supporting the disbursements made to or for the student-athlete. Test criteria were developed to determine if the Office of Athletics was in compliance with applicable University policies and NCAA Special Assistance Fund Guidelines.

Results:

One student-athlete out of 65 receiving funds for the clothing/shoe allowance (\$300.00) did not submit receipts as required. The student-athlete received the funds on January 23, 2004 with a receipt turn-in date of February 23, 2004. When the student-athlete failed to submit receipts, the Office of Athletics made numerous attempts to contact the student-athlete. On March 19, 2004, pursuant to the Office of Athletics' policies, an academic "hold" was placed on the student-athlete's University accounts and remained in effect until the receipts were submitted to the Office in August.

Except as discussed above, no other exception to the test criteria were noted during the review. Based on the results of my review of applicable documentation and substantive tests performed, the Office of Athletics' internal controls over expenditures and disbursements related to the NCAA Special Assistance fund are adequate and the University is in compliance with applicable policies and procedures related to the administration of the NCAA Special Assistance fund. During the course of my review, no significant audit issues were noted related to the administration of the NCAA Special Assistance fund by the Morehead State University's Office of Athletics.

The audit report was submitted to President Eaglin and Dr. Jon Steinbrecher, Commissioner of the Ohio Valley Conference. Copies were also made available to Vice President Weathers and Chip Smith, Director of Athletics.

Student-Athlete Opportunity Fund

As required by the Ohio Valley Commissioner's Office, as directed by the Board of Presidents of the conference's member schools, an institutional review of the NCAA Student-Athlete Opportunity Fund was conducted for the fiscal year ending June 30, 2004.

Background:

In its April 24, 2003 meeting, the NCAA's Division I Board of Directors passed legislation on the Student-Athlete Opportunity Fund (SAOF). This legislation provided a total of \$17,000,000 to meet personal needs of NCAA Division I student-athletes. \$360,625 was sent to the Ohio Valley

Conference office and was allocated among institutional members based on the "broad-based" (sports sponsorship and grant-in-aid) distribution formula. Morehead State University received \$16,605.90 as its distribution share during the 2003-04 fiscal year. The funds will increase in value at 13 percent annually, subject to approval by the Division I Board of Directors.

The SAOF is intended to provide direct benefits to student-athletes or their families as determined by the conference offices. As a guiding principle, the fund is to be used to assist student-athletes in meeting financial needs that arise in conjunction with participation in intercollegiate athletics, enrollment in an academic curriculum or to recognize academic achievement by a student-athlete. All student-athletes, including international, are eligible to receive SAOF benefits, regardless of whether they are grant-in-aid recipients, have demonstrated need or have either exhausted eligibility or no longer participate due to medical reasons. Additionally, student-athletes receiving monies from the Special Assistance Fund (SAF) may also receive SAOF benefits.

Examples of permissible uses of the SAOF (list is not exhaustive) include:

- Educational Expenses and Fees – summer school, 5th or 6th year aid, postgraduate scholarships, graduate school exam fees, professional program testing
- Health and Safety Expenses – insurance premiums, supplemental insurance, medical and dental/vision expenses (not covered by another insurance program for student-athletes not eligible for SAF), medical expenses for student-athletes' spouses/dependents
- Personal or Family Expenses – clothing allowance or enhancement of clothing allowance from SAF, emergency travel or expenses for student-athletes, spouses and/or dependents
- Institutional Academic or Programming Enhancements – academic achievement or graduation awards, academic support services

The responsibility for oversight and administration of the SAOF, including interpretations, rests solely with the Ohio Valley Conference. Conferences are required to report annually to the NCAA the fund recipients by sport and gender, as well as the purposes for which the moneys were used and the amounts for each purpose. The OVC's Board of Presidents requires an institutional review to be conducted annually by a source outside the institution's athletics department and to be submitted to the conference office no later than August 31.

Objective:

The objective of the review was to determine if the Student-Athlete Opportunity Fund was being administered in compliance with applicable NCAA and OVC guidelines.

Scope:

The scope of the review was limited to disbursements made on behalf of student-athletes from the SAOF during the period July 1, 2003 through June 30, 2004. There were \$15,797 in educational related expenditures for 22 student-athletes during the period. 100% of the disbursements made during the period were reviewed. Student-athletes from the following teams received funding from the SAOF during the period:

	#	Amount
MEN'S SPORTS		
Baseball	2	\$2,094
Basketball	5	6,119
CC/Track	1	558
Tennis	1	75
Total - Men's Sports	9	\$8,846

WOMEN'S SPORTS		
CC/Track	1	\$289
Softball	4	1,918
Soccer	6	3,306
Tennis	1	1,166
Volleyball	1	272
Total - Women's Sports	13	\$6,951

TOTAL - ALL SPORTS	22	\$15,797
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Methodology:

The methodology for the review included a review of (a) applicable NCAA SAOF guidelines, (b) verification of intercollegiate athletic participation by the student-athlete, and (c) verification of summer school attendance by the recipient of SAOF funding. Test criteria were developed to determine if the University's Office of Athletics was in compliance with applicable NCAA and OVC guidelines for administering the Student-Athlete Opportunity Fund.

Results:

All recipients of the Student-Athlete Opportunity Fund were determined to be members of the University's intercollegiate teams and disbursements met NCAA use guidelines. Based on the results of the review and substantive tests performed, the University's Office of Athletics was in compliance with applicable NCAA and OVC guidelines for administering the Student-Athlete Opportunity Fund. During the course of my review, no significant audit issues were noted related to the administration of the NCAA Student-Athlete Opportunity Fund by the Morehead State University's Office of Athletics.

The audit report was submitted to President Eaglin and Dr. Jon Steinbrecher, Commissioner of the Ohio Valley Conference. Copies were also made available to Vice President Weathers and Chip Smith, Director of Athletics.

MSU Police Department Evidence Room

Background:

The Kentucky Association of Chiefs of Police (KACP) Accreditation Program provides law enforcement agencies within Kentucky with commonly accepted standards for efficient and effective operations. Chapter 27 of the KACP Standards, Collection and Preservation of Evidence, provides guidance to law enforcement agencies on establishing procedures for the handling and control of

evidence and property maintained by law enforcement agencies. The Morehead State University Police Department, in an effort to meet the accreditation standards set by the KACP, has developed a Standard Operating Procedure (SOP) Manual. Chapter 25 of the SOP Manual establishes policies and procedures for the security and maintenance of all evidence and found property.

Methodology:

On Monday, November 1, 2004, I conducted a review to determine if the University Police Department was in compliance with the provisions of Chapter 25 of their SOP Manual. The review including an interview with the Evidence Technician, an inspection of the evidence area, a review of applicable evidence records, and conducting an inventory and audit of items located in the Evidence Room located at 109 Laughlin Health Building. From the 48 active cases listed on the *Evidence Inventory Sheets*, a judgmental sample of 24 items was selected for verification - 12 selected by locker number and 12 by item description. The contents for the lockers selected for review were verified to the items listed on the *Evidence Inventory Sheets*. I reviewed the lockers and their contents to determine that a Form KSP-41 was attached to the container in which the property/evidence was located and that the property/evidence was stored in accordance with the provisions of Chapter 25 of the SOP Manual. I was accompanied by the Department's designated Evidence Technician, Lieutenant James Frazier, 3rd Shift Supervisor Sergeant Michael Trent and Officer Mark Stidam.

Results:

Section A(6)(e) of Chapter 25 of the Department's Standard Operating Procedure Manual states that the Evidence Technician will place drugs in a cabinet with an additional lock in the Evidence Room. During the course of conducting the inventory and audit, I noted that the cabinet where drugs were being kept in the Evidence Room did not have a lock. Based on the results of my review and the results of substantive tests performed, except as noted above, the University Police Department was in compliance with the provisions of Chapter 25 of their SOP Manual.

As of December 1, the University Police Department was in the process of obtaining a locking mechanism for the cabinet and will have it in place by the end of the month. A follow-up review/inventory of the Evidence Room will be conducted during the Spring 2005 semester.

A report was submitted to MSU Police Department Chief Joe Cline. Copies were also made available to Vice President Weathers and Lieutenant James Frazier.

Time and Effort Reporting (Follow-up)

Objectives:

The objective of the audit was to determine if corrective actions implemented as a result of the previous audit on time and effort reporting have been effective in increasing compliance by University employees with the reporting requirements of the Office of Management and Budget's Circular A-21, "Cost Principles for Education Institutions" and University personnel policy #PAc-15, "Time and Effort Reporting."

Scope:

The scope of the audit included all individuals receiving salary or wages from a restricted fund source, commonly referred to as an "11 account," as indicated on a Personnel Action Request (PAR) during the 2004 Spring, Summer I and Summer II terms. The population consisted of 380

individuals from 70 restricted projects for the Spring semester, 354 individuals from 71 restricted projects for the Summer I term, and 214 individuals from 58 restricted projects for the Summer II term. The sample size selected for testing was 100% of the employees paid from restricted projects.

Methodology:

A listing of restricted projects was obtained from the Trial Balance for the 2004 Spring, Summer I and Summer II semesters. Information on PARs from restricted accounts is listed on a tracking spreadsheet, maintained in the Office of Accounting and Budgetary Control (A&BC). This spreadsheet provides information on the reporting frequency for employees who are required to submit time and effort reports. Reports are required to be submitted by the restricted project's Principal Investigators (PI) to the Grants and Contracts Accountant in A&BC. Time and Effort Reports were reviewed to determine compliance with Section J, Office of Management and Budget's (OMB) Circular A-21.

Results:

	FY 2003 SEMESTERS	FALL 2003 SEMESTER	SPRING 2004 SEMESTER	SUMMER I 2004 SEMESTER	SUMMER II 2004 SEMESTER
EMPLOYEES	770	542	380	354	214
EMPLOYEES REPORTING	361	266	252	259	175
PERCENTAGE REPORTING	46.9%	49.1%	66.3%	73.2%	81.8%

As can be seen from the chart, compliance by University personnel with applicable reporting requirements increased significantly from the prior audit period, July 1, 2002 through December 31, 2003.

Opinion:

Although there is still room for improvement, based on the results of my review and the results of substantive tests performed, it is my opinion that corrective actions implemented as a result of the previous audit on time and effort reporting have been effective in increasing compliance with the reporting requirements of the Office of Management and Budget's Circular A-21, "Cost Principles for Education Institutions" and University personnel policy #PAC-15, "Time and Effort Reporting."

CURRENT PROJECTS:

Purchasing Cards

Objectives:

The objectives of the audit will be to review internal controls related to the use of purchasing cards and to determine if University cardholders are in compliance with the purchasing and recordkeeping requirements of the MSU Purchasing Card Service *User Manual*.

Scope:

Two previous audits have been performed for approximately 250 purchasing card holders. The scope of this audit will consist of a sample of approximately 150 cardholders and will consist

primarily of cardholders whose purchases and recordkeeping have not been reviewed and some cardholders which have had deficiencies noted during past audits.

Methodology:

The methodology will include a review of documentation supporting purchases made using a University purchasing card. Cardholders' recordkeeping will also be reviewed to determine compliance with applicable University requirements.

A memo will be sent to the appropriate supervisor and Vice President as each individual audit is completed. A final audit report will be issued at the conclusion of the review.

Federal Workstudy Program

Background:

The University's federal student employment program is designed to provide students with the opportunity to earn funds to help finance their education, while gaining valuable employment experience. The workstudy program is part of the Title IV Department of Education Student Financial Aid Programs and is regulated by guidelines established by that Department. The Office of Financial Aid has developed a Workstudy Supervisor's Handbook to help facilitate compliance with Department of Education guidelines.

Scope:

The scope of the audit includes 850 students which earned \$871,344 for the fiscal year ended June 30, 2004 and 619 students who were awarded \$489,599 for the Fall 2004 semester.

Methodology:

A sample of 110 students was selected for testing. Financial aid records will be reviewed to determine that the students met the eligibility requirements established by the Department of education. Time cards and class schedules for these students will be reviewed to determine compliance with applicable Federal and University regulations.

A final audit report will be issued at the conclusion of the review.

CASH COUNTS

A cash count was conducted at the close of business Tuesday, May 11, 2004, to verify the \$100,000 Cashier Operating account in the Office of Accounting & Budgetary Control. No significant deficiencies were noted during the count. A report was issued to Crowe, Chizek & Company, Vice President Walters and Mr. Fluty, Director of Accounting & Budgetary Control.

A cash count was conducted Tuesday, May 18, 2004, to verify the University Store's authorized permanent petty cash hold amount of \$2,500. No significant deficiencies were noted during the count. A report was issued to Crowe, Chizek & Company, Vice President Walters, Mr. Fluty and Mr. Redwine, Director of Auxiliary Services.

A cash count was conducted Tuesday, June 15, 2004, to verify the permanent change funds for four of the five University regional campus centers (the Jackson center does not maintain a change fund). The permanent change fund amounts are \$500 for Mount Sterling, \$550 for West Liberty, \$550 for Prestonsburg and \$500 for Ashland. No significant deficiencies were noted during the count. A report was issued to Provost Moore, Vice President Walters, Associate Vice President Connell, Mr. Fluty, and the regional campus center directors, Dr. Kenney (Mt. Sterling), Dr. Tobin (West Liberty), Dr. Webb (Ashland) and Ms. Bowling (Prestonsburg).

EXTERNAL ASSISTANCE

Assistance to Crowe, Chizek and Company was provided in the following areas:

- University Store inventory
- Plant inventory
- KFAC inventory
- A-133 audit – Compliance testing for Talent Search, Upward Bound, Student Support Services, Educational Opportunity Center, Gear Up – IRAPP, Kentucky Gear Up, and Federal Work Study Program

PLANNED PROJECTS:

NCAA Compliance Audit

Background:

As denoted in Bylaw 22.2.1.3(e) of the NCAA Manual, the NCAA requires every Division I institution to have its athletics rules-compliance program evaluated at least every four years by an authority outside the athletics department. A university's compliance area can be divided into several sections: general compliance, athletic equipment and apparel, camps and clinics, coaching staff limits and contracts, student-athlete eligibility, employment of student-athletes, complimentary admissions, student-athlete vehicles, team travel, financial aid, playing and practice seasons, recruiting – off campus, recruiting – on campus, and representatives of the university's athletics interests.

Purpose:

Besides meeting the NCAA audit requirement, the purposes of a compliance audit are to:

- Advise management whether the compliance program is functioning properly;
- Identify policies and procedures that may leave the university vulnerable to possible inadvertent violations;
- Assist management in recommending corrective measures to enhance compliance efforts;
- Reiterate the university's commitment to institutional control through proactive measures; and
- Enhance administrative accountability by providing external oversight.

PROFESSIONAL DEVELOPMENT:

“Financial Statement Analysis for Public and Private Colleges & Universities” telecast, sponsored by the Southern Association of College and University Business Officers (SACUBO), Morehead State University, June 1

“Impact of Department of Labor Overtime Rules on Colleges & Universities” telecast, sponsored by the National Association of College and University Business Officers (NACUBO), Morehead State University, August 12

“Homeland Security and MSU” educational seminar, presented by Joe Cline, Bill Hardin and Bill Redwine, sponsored by MSU’s Office of Human Resources, Morehead State University, September 14

“Workplace Violence” educational seminar, presented by Francine Botts-Butler, sponsored by MSU’s Office of Human Resources, Morehead State University, September 15

Association of College & University Auditors (ACUA) annual conference, Arlington, VA, September 19-23

“Looking Back, Moving Forward: Overcoming Obstacles of Race, Gender and Region” lecture, presented by Dr. Bette Dickerson, Morehead State University, October 25

“Topics in Managerial Accounting and Analysis” workshop, sponsored by the National Association of College and University Business Officers (NACUBO), Lexington, KY, November 18

Kentucky Public University Business Officers (KyPUBO) Fall Meeting, University of Kentucky, November 19

OTHER

Co-presenter with Paige McDaniel, Office of Support Services, “MSU Purchasing Card Guidelines,” sponsored by the Morehead State University’s Office of Human Resources, November 4

Serving as Administration and Fiscal Services’ Unit Development Officer for the 2004 Campus Giving Campaign.

Respectfully Submitted,

Joe Hunsucker, MA, CPA
Director of Internal Audits

B. Reports

1.	Final Report on 2004 Fall Enrollment	72
2.	Report on 2005 Health Insurance.....	73-74
3.	Strategic Projects Briefing: RI ² SE and MSUnplugged.....	75-78
4.	Report on Personal Service Contracts.....	79-80
5.	Gift Income Reports.....	81-82

VIII. OTHER BUSINESS

A. Disciplinary Appeal

B. Meetings for Calendar Year 2005

First Quarter

February 17 (Work Session)

March 10 (BOR Mtg.)

Second Quarter

May 12 (Work Session)

June 9 (BOR Mtg.)

Third Quarter

August 25 (Work Session)

September 15 (BOR Mtg.)

Fourth Quarter

November 17 (Work Session)

December 15 (BOR Mtg.)

C. Presentation of Resolution to Former Board Chair, Buckner Hinkle Jr.

D. Spotlight Presentation – Space Science Center

IX. ADJOURNMENT

*Following adjournment, the Regents will move directly from the meeting to the ridge top for the “First Light” ceremony to commission the new space tracking system. In the event of snow or freezing weather, the ceremony will take place at the space science operations building in Lakewood Terrace.

Immediately following the ceremony, the Board members will be transported back to the ADUC for lunch.

**Board of Regents Meeting
Morehead State University
Riggle Room – Adron Doran University Center
9 a.m., Thursday, December 16, 2004**

Agenda

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVE MINUTES OF SEPTEMBER 3, 2004, OCTOBER 14-15, 2004,
NOVEMBER 8, 10, 12 & 18, 2004
- IV. APPROVE RECOGNITION OF EAGLINS – *Awarding of Honorary
Doctoral Degrees; Naming of Space Science Center; and Granting of
Sabbatical Leave and Emeritus Status*
- V. ADOPT RESOLUTIONS HONORING CHERELLE LAMPKINS
AND CRAIG UNGER
- VI. APPROVE FACULTY RANK/TENURE FOR NEW PRESIDENT
- VII. RECOMMENDATIONS AND REPORTS
 - A. Recommendations
 - 1. Approve 2004 Winter Graduates 1
 - 2. Approve Sabbatical Leaves 2
 - 3. Approve Educational Leave 3
 - 4. Approve Personnel Actions 4-30
 - 5. Authorize Capital Project for President’s Home. 31-32
 - 6. Accept 2003-04 Audit Report and Amend
Operating Budget 33-37
 - 7. Accept First Quarter Financial Report and Amend
Operating Budget 38-48
 - 8. Approve New Personnel Policy PG-59, Return to Work
Program for Occupational Illness or Injury; Approve
Revision of PG-27, Workers’ Compensation; and Approve
Revision of PSNE-3, Overtime Pay for Employees
Classified as Staff Nonexempt..... 49-59
 - 9. Approve Endowment Match Program Submission 60-61
 - 10. Adopt Non-Resident Tuition Policy..... 62-66
 - 11. Confirm Board Members and Approve Operating Agreement,
Friends of Kentucky Center for Traditional Music, Inc. 67-70