

C. BOR Meetings for Calendar Year 2018

Work Session	February 22	(at Prestonsburg weather permitting)
Quarterly Meeting	March 29	
Audit Committee	May 10	
Work Session	May 10	
Quarterly Meeting	June 7	
Work Session	August 9	
Quarterly Meeting	September 6	
Audit Committee	October 19	(Friday/Homecoming)
Work Session	October 19	(Friday/Homecoming)
Quarterly Meeting	December 6	

VI. ADJOURNMENT

VII. ADUC SIGNING/TOPPING OFF CEREMONY 4:15 p.m.

VIII. RECEPTION (at Space Science Center) 5:00 p.m.

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY
September 28, 2017**

The Board of Regents of Morehead State University met at 9:00 a.m. on Thursday, September 28, 2017, in the DeMoss Suite of the Center for Health, Education and Research in Morehead, Kentucky.

CALL TO ORDER

Chair Goodpaster called the meeting to order.

ROLL CALL

The following Board members were present: Paul Goodpaster, Shannon Harr, Eric Howard, Rachael Malone, Wayne Martin, Jonathan Pidluzny, Patrick Price, Kathy Walker and Terri Walters. Debbie Long and Craig Preece were unable to attend.

MEDIA

Jason Blanton, Director of Media Relations, introduced Megan Smedley of The Morehead News, and Leeann Akers of Morehead State Public Radio.

**EMPLOYEE
RECOGNITION**

President Jay Morgan recognized Dr. Edna Schack, professor of education and co-director of MSUTeach, and Dr. Scott Niles, research integrity and compliance director and chair of Staff Congress, for their significant contributions to the University.

**SPOTLIGHT
PRESENTATION**
*Craft Academy for
Excellence in Science and
Mathematics*

Dr. Carol Christian, director of the Craft Academy for Excellence in Science and Mathematics, presented an overview of the program for the Board. The Craft Academy is a dual-credit residential high school on the campus of MSU for high achieving Kentucky students. While in the program, students complete high school while also completing up to two years of college coursework. The program includes a STEM+X component that broadens and enriches the student's educational experience. The STEM+X focus areas are entrepreneurship and innovation, design and creativity, and civic and regional engagement. Two Craft students—Nadia Richardson of Knott County and Brandon Staton of Greenup Co.—joined Dr. Christian and described some of the research projects in which they have been involved.

CONSENT AGENDA

Chair Goodpaster asked if the Board would like to discuss any item on the Consent Agenda as follows:

1. Minutes of June 8, 2017 and August 24, 2017 (V-A-1)
2. Personnel Actions (V-A-2)
3. Revised 2018-2024 Capital Plan (V-A-3)
4. Ratify Diversity Plan (V-A-4)

MOTION: Ms. Walker moved that the items in the Consent Agenda be approved. Dr. Harr seconded the motion.

VOTE: The motion carried unanimously.

**PRESIDENT'S
RECOMMENDATIONS**

Student Code of Conduct

The President recommended:

RECOMMENDATION: That the Board approve revisions to the Morehead State University Student Conduct Code.

Interim Vice President for Student Success Russ Mast said that the revisions to the student code of conduct are suggested to ensure the codes do not violate constitutionally protected rights, most notably, the First Amendment. Other revisions contain procedural changes.

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

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

VOTE: The motion carried unanimously.

*Police Standard Operating
Procedures Manual
Revision*

The President recommended:

RECOMMENDATION: That the Board of Regents approve a revision to the Morehead State University Police Department Standard Operating Procedures Manual.

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

Mr. Mast stated that the revision to the manual is the inclusion of Chapters 65 through 68, which are based on recommendations of the Kentucky Association of Chiefs of Police during their recent re-accreditation.

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

VOTE: The motion carried unanimously.

Disposal of Real Property

The President recommended:

RECOMMENDATION: That the Board of Regents approve the Order to Dispose of Property relating to the razing of six properties including the Blair House, Phillips House and Alumni Center on University Street, the Bell House and Brumagen House on University Boulevard, and the Honors House on Elizabeth Street.

(Additional background information attached to these minutes and marked V-B-3)

Chief Financial Officer and Vice President for Administration Beth Patrick said these buildings have become surplus to the needs of the University and the best interest of the

University would be served by razing the structures and using the land for future development in accordance with the University's Campus Master Plan. All of the buildings are currently utilized as office space. Approximately thirty staff members will be relocated to other locations on campus.

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

VOTE: The motion carried unanimously.

REPORTS

Preliminary Fall 2017 Enrollment

Assistant Vice President for Enrollment Services Tim Rhodes presented the preliminary enrollment report for fall 2017. He reviewed the external and internal factors impacting enrollment. The preliminary fall 2017 enrollment is 10,394, a decline of 3.3% overall compared with the previous fall. Students from the traditional service region constitute 51% of new full-time students, 14% are from out-of-state, 9.17% are from under-represented minority populations, and 1.13% are international students. Preliminary fall-to-fall retention for last fall's freshmen stands at 69.2%. The preliminary average ACT of the incoming class is 23 and average high school GPA is 3.52. *(Preliminary Enrollment Report for Fall 2017 attached to these minutes and marked V-C-1)*

BREAK

Chair Goodpaster called for a short break.

Real Property Leases

Ms. Patrick provided the annual report on real property leases effective July 1, 2017. *(Report attached to these minutes and marked V-C-2)*

Personal Service Contracts

Ms. Patrick reported on personal service contracts, which represent all such contracts issued with amounts greater than \$10,000 between May 16, 2017 and September 1, 2017. *(Report attached to these minutes and marked V-C-3)*

Alumni & Welcome Center Update

Vice President for University Advancement Jim Shaw provided an update to the Board on the Alumni & Welcome Center project. He stated that several issues have been encountered in the planning for the project, including significant cost increases and concerns over increased operating and maintenance costs. Also, there would be redundancy between the welcome center and the newly renovated Adron Doran University Center (ADUC). Therefore, he recommended that the private funds that have been donated for the project be focused on enrollment, retention and scholarships, and ADUC be utilized as the central meeting space for alumni in the future. The naming opportunities that were slated for the welcome center would be transferred to ADUC. Dr. Morgan added that he had already spoken with the lead donors to the project and they are supportive of the change. The Board offered no objection to the new plan.

PRESIDENT'S REPORT

Dr. Morgan provided an update on the progress on preparing an updated strategic plan for the University. He also said that employees will be held reasonably harmless on any

additional expenses for 2018 health care, with the exception of smokers/tobacco users, and those whose spouses could obtain health insurance from their own employer. He said that based on the enrollment for fall, the current year budget looks good. However, looking forward, an increase of \$3-4M in pension costs for the University and possibly cuts to the state appropriation in 2018-2019 are expected. ADUC is expected to open in summer/fall of 2018 and the Rocky Adkins Dining Commons will open next month. The University will undergo its ten-year reaccreditation from SACS COC in 2020-2021.

Chair Goodpaster read a prepared statement on behalf of the Board. The statement follows in its entirety:

The Morehead State University Board of Regents is charged with the vision and governance of the University, both to serve its mission to the region and the Commonwealth, and also with respect to its fiscal and financial affairs. The Board understands the fiscal realities of the state budget outlook, skyrocketing pension costs, as well as a changing financial model with performance funding, all of which necessitate a shift in the way MSU strategically positions itself going forward.

Knowing that the University is entering a new funding environment, much of which is outside of its immediate control, the Board of Regents is formally asking the President of the University to begin accelerating the University Strategic Planning process already undertaken, and to take all executive steps necessary to reposition the University to meet the new state performance funding formula, and the new challenges which confront us due to the state budget outlook.

In an attempt to do this, the Board of Regents is requesting that the President proactively and strategically reposition through personnel and operating adjustments approximately 7.5% of the University's 2017-2018 annual budget.

This should be a transformative process and should be undertaken so that the University is well-positioned beginning January 1, 2018 to meet the changing environments within Kentucky. Morehead State University is a great University and we must work to maintain a competitive advantage, and forge ahead for the benefit of our students.

Mr. Martin moved that the Board accept the statement. Ms. Walker seconded the motion. The motion carried unanimously.

CLOSED SESSION

Chair Goodpaster entertained a motion to go into Closed Session at 11:52 a.m. pursuant to KRS 61.810(1) (b) to discuss matters relating to the future acquisition or sale of real property where publicity would be likely to affect the value of a specific piece of property to be acquired or sold. The Board will take no action while in Closed Session.

- Dr. Harr moved that the Board go into Closed Session. Ms. Walters seconded the motion. The motion carried and the Board retired to Closed Session.
- OPEN SESSION** Following Closed Session, Chair Goodpaster asked for a motion to return to Open Session. Mr. Price moved that the Board return to Open Session at 12:39 p.m. Ms. Walker seconded the motion. The motion carried. Chair Goodpaster stated that no action was taken during the Closed Session.
- BYLAWS COMMITTEE** Chair Goodpaster appointed an ad hoc committee of Mr. Price (chair), Ms. Walters and Dr. Pidluzny to review the Board bylaws.
- ANNOUNCEMENTS** Chair Goodpaster announced the next Board work session is November 9, preceded by a meeting of the Audit Committee, and the next quarterly meeting is December 7. He also reminded Board members of the Browning Orchard Festival on October 1 and Homecoming on October 21. He invited everyone to stay for the tour of the current construction and renovation projects (ADUC, President’s Home and the Rocky Adkins Dining Commons) after lunch.
- ADJOURNMENT** There being no further business to conduct, Mr. Howard moved that the meeting adjourn at 12:46 p.m. Mr. Martin seconded the motion. The motion carried.

Respectfully submitted,



Sharon S. Reynolds, Secretary
Board of Regents

Health Equity (New HSA/HRA/FSA Administrator)

Employees have experienced difficulty with the current HSA/HRA/FSA administrator. Sorting through these issues required significant time of the HR staff and caused employees frustration. As a result, the Office of Human Resources issued a Request for Proposal in early fall 2017 for a new administrator for employees' HSA/HRA/FSA accounts.

As of January 1, 2018, Health Equity will serve as MSU's administrator for HSA/HRA/FSA accounts. Healthy Equity will provide electronic claim services that will have a direct interface with Anthem. Employees will not have to file additional paperwork to validate claims.

Limited Purpose FSA (LPFSA)

According to IRS rules, an employee who contributes to a HSA cannot have both a HSA and a (full purpose) FSA account. However, the IRS does allow a Limited Purpose FSA account to be used in conjunction with a HSA, allowing the employee to contribute additional pre-tax dollars for the restricted use of dental and/or vision expenses.

Conclusion

Employees will not see a disruption in the network, and will not see an increase in their premiums. We will continue to maintain high quality, market-competitive and affordable health care coverage so that we can sustain our ability to recruit and retain superior faculty and staff who carry out the mission of this University. We believe the adjustments we have made to the 2018 health plan will maintain our position to be market competitive.

What will also remain constant is our commitment to becoming a healthy campus community. The benefits of a healthy campus community will not only impact lower premium costs to both MSU and employees, but we should see a direct benefit in regard to greater productivity. Just as importantly, we will see employees who will enjoy all facets of their lives.