Minutes of the Quarterly Board of Regents Meeting
Murray State University
February 25, 2005

The Board of Regents of Murray State University met on February 25, 2005, in quarterly session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. The meeting was called to order at 1:30 p.m. by Chair Don Sparks.

The following members were present: Marilyn Buchanon, Olivia Burr, Lori Dial, Beverly Ford, Peg Hays, Michael Miller, Jessica Reed, Alan Stout, Terry Strieter, Vickie Travis and Don Sparks. Absent: none.

Others present were: F. King Alexander, President of the University; Sandra M. Rogers, Assistant to the President and Secretary of the Board of Regents; Tom Denton, Vice President for Finance and Administrative Services and Treasurer of the Board of Regents; Gary Brockway, Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; Jimmy Carter, Vice President for Institutional Advancement; Joyce Gordon, Associate Vice President for Human Resources; Dewey Yeatts; Associate Vice President for Facilities Management and Chief Facilities Officer; John Rall, University Counsel; members of the faculty, staff, students, news media and visitors.

The following agenda was presented for the meeting:

AGENDA
MEETING OF THE BOARD OF REGENTS
Murray State University
Jesse Stuart Room, Pogue Library
February 25, 2005
1:30 p.m.

1. Roll Call

2. Minutes of the Meeting of the Board of Regents on December 10, 2004

3. Report of the President

4. Report of the Chair

5. Report of the Treasurer
(Financial and Investment Reports for the period of July 1, 2004 - December 31, 2004)

6. Gifts
   A. General Ionex Tandetron 4417 Accelerator
   B. Ion Accelerator and Supporting Equipment

7. Naming of Facilities
   A. Office of African-American Student Services & Ethnic Programs
   B. Student Recreation and Wellness Center

8. Honorary Doctorate Degree

9. Personnel Changes
Minutes of the Board of Regents Quarterly Meeting on December 10, 2004, approved

Mr. Miller moved, seconded by Ms. Reed, that the Minutes of the Board of Regents meeting held on December 10, 2004, be approved as presented. Motion carried.

President's Report

President Alexander presented the attached slide presentation for his report.

All comments are referring to the slide presentation.

State and Federal Budgets

State Trends—There is a Legislative Session going on now and it is a very intense condensed session. The Governor has submitted a budget. I want to bring your attention to some of the national trends, but also to trends in Kentucky. This is all our institutions on average state expenditures and we have seen a steady decline in support. As you well know, tuition is becoming a much bigger issue in the state. It's growing and these are moving towards reaching surpassing themselves in around ten or fifteen years if they continue to move in this direction. A lot of other states have already done this or at least tuition has surpassed state appropriations. This trend is common throughout the United States. One thing you will find in Kentucky is that we still remain a commonly funded state as opposed to a student funded state in higher education. These trends are getting closer and closer and we are certainly concerned as we continue in this direction. Hopefully in this Legislative session we can slow this down. We have lost a little ground in the last couple of years, but hopefully this will level off and tuition will not continue to gain on the common support of higher education.

In 1999 the Council on Postsecondary Education (CPE) provided about 69 percent of the funding. Tuition was about 31 percent. Today the General Fund is 56 percent in 2005; tuition has risen to about 44 percent. Once again, these are national trends as well; they just vary by state. Most of our northern states have already shifted over to tuition based states. The southern and western states are very much like us, which is important when you consider benchmark
institutions. We are comfortable and confident that we will continue to push forward for tax modernization and that higher education will certainly have more resources this year and we will gain some ground from cuts in the previous years. We are hoping to get back where we were about three years ago.

State and Federal Trends

There is a lot of interesting and complicated things going on throughout the authorization of the Higher Ed Act. Forty-eight of the 150 programs in the proposed budget cuts are in the department of education at the Federal level. Many of those cuts affect TRIO, Upward Bound and many programs that we actually receive because we serve a large percentage of low income students. We are watching these trends very carefully. In addition to this, the monitoring of tuition rates and institutional expenditures is a student record system on expenditures that is going to be kept in the future. There’s a great emphasis on graduation rates by the federal government and an even more interesting emphasis on the data you submit based on what your net tuition is in the future instead of sticker price tuition. There’s a lot of information on higher education comparing institutions, the outcomes of institutions and the Reauthorization of the Higher Education Act is moving rapidly in this direction.

Facilities Update on Campus

2005

- Student Recreation and Wellness Center ($10 million)
- Hart College Thoroughbred Café
- Dr. Marvin D. Mills Multicultural Center Improvements
- ICC Business and Research Incubator ($3 million)
- Equine Classroom and Office Facility ($1 million)
- L. D. Miller Golf Clubhouse Renovations ($500,000)

2006

- Renaissance for Knowledge Waterfield Library Renovation ($6-$8 million): Arthur J. Bauernfeind Gift
- Phase II Science Complex ($15 million: State Budget?)
- Clark & Richmond New Residential Colleges (TBA)

Enrollment Update

We are up about 1.1 percent or about 93 students in total spring enrollment; in undergraduate enrollment we are up 1.1 percent or about 86 students; in graduate enrollment we are up at 4 percent or about 7 students. Our spring enrollment seems to taper off from our fall enrollment because some of our students can’t make it through the first year and we don’t have many students coming into school in the spring, but you will notice our progress continues. In 1995 our spring enrollment was basically around 7,500 and now it is about 9,300. This trend continues and we are at a control base during a bad budget time which is very important because we don’t want to over-enroll at a time we don’t have the resources to finance new classrooms for faculty, as well as new faculty and staff positions.

Enrollment update for the fall, currently we are up about 78 students, 1 percent up. In in-state students we are down about 43 percent. This is an interesting time in February because this could change next week. A lot of our in-state students come and go and the ebb and flow of when they apply to college changes, based on spring break, based on a lot of things. Out-of-state students are up.

With new freshmen we are up about 29 students, 2.4 percent from where we were last year at this time. Undergraduate total we are up about 81 students, 1.1 percent, and graduate students total we are about even from where were last year at this time. Hot areas/counties are Jefferson, Breckenridge, St. Louis, Vandenburg, Warick, and Illinois. Cold areas/counties are
Caldwell, Calloway, Henderson, Hopkins, Oldham and Tennessee.

2004 Graduation Rate Results

More and more attention is being given by the federal government and the state. The two most important things that we do here is enroll and graduate students. The IPEDS report shows that we have gone up a half percent from where we were last year, about 56.4 percent. This is pretty consistent from what we have done in the past. In 1997 we were at 39.1 percent and then we experienced a big jump to 55.4 percent. Since 1955 we have grown about a half a percent per year and we continue to grow and increase.

Our female and male graduation rate isn’t much different, 58 percent female and 53.5 percent male, with African-Americans at 51.5 percent. To give you an idea, about 35.7 percent finish in four years or less; in 5 years or less, 52.5 percent. There is not as much growth in six years, 56.5 percent.

To show you where this puts us in graduation rates, listed below are larger universities that are funded much better than MSU to give you a better idea of where we are:

- Murray State University 56.5 percent
- West Virginia University 56.4 percent
- Kansas State University 56.2 percent
- University of Mississippi 55.8 percent
- University of Rhode Island 55.8 percent
- University of Maine 55.8 percent
- University of Arizona 54.7 percent
- University of Minnesota 54.4 percent
- University of Hawaii 54 percent
- University of Oklahoma 52.1 percent
- University of New Mexico 41.6 percent

This puts it in more perspective of what our graduation means and gives the larger context nationally.

Six-Year Graduation Rates

President Alexander showed regional graduation rates within the five states around us that we pay attention to: Missouri, Indiana, Illinois, Kentucky and Tennessee. If we were to take the five states and the regional universities, pull out the flagship institutions, the University of Illinois Champaign-Urbana, Columbia and the University of Kentucky, leaving in Louisville and Memphis, what you will find there are 33 public universities in this five-state region. The flagship universities are funded differently, they have twice the funding that the other universities have. Of the 33 universities, Murray State University ranks fifth in this five-state region in our graduation rate. The only schools that do better than Murray State are Truman State, Missouri-Rolla, Eastern Illinois and Illinois State. The other Kentucky schools are Morehead State at 44.1 percent, Western Kentucky at 43.4 percent, Kentucky State at 39.0 percent, Eastern Kentucky at 37.1 percent, University of Louisville at 34.9 percent, and Northern Kentucky at 33.3 percent. Truman State has gotten a 63.9 percent graduation rate by turning away a lot of students, by becoming more exclusive in who they select and who they bring onto their campus.

Pell Grant Students

Truman State only has 12.8 percent Pell Grant students. It is easy to improve the graduation rate when you are turning away students who are academically challenged but also economically challenged. Illinois State is the other institution that was above us, they have 20 percent Pell Grant students. Eastern Illinois also has 21 percent Pell Grant students; Missouri Rolla has 23 percent; Murray State University is in the bottom half and we serve 31.40 percent Pell Grant students, which means we haven’t closed our doors to access. We are serving a more challenged population at an income level that is far less than the four institutions that are
graduating more students than we are. It is easy to improve your graduation rate by closing your doors, flagship universities all over the United States have done this exact thing. What Murray State has done is remain accessible. All of our students are not wealthy students but they are graduating and this is a tremendous tribute to the faculty and staff of Murray State and the caring that they put into our students.

Tuition and Fees

To show you where we fit on Tuition and Fees, of those 33 schools, Missouri-Rolla, Illinois State, Truman State, and Eastern Illinois are the same ones that have higher tuition rates. Missouri-Rolla has $7,308 per year in-state; Illinois State has $6,328 per year in-state; Truman State has $5,482; and Eastern Illinois has $5,479. Of the 33 schools, Murray State is 29th best deal. There are only four schools that are more affordable than we are and those schools do not graduate students at very high rates. Murray States is 29th in our tuition rates of those 33 schools. That also says a lot for our commitment to maintaining affordability and to maintaining access to affordability.

Graduation Rate Change

If you take a look at what these data show you since 1997, the change in graduation rates of these 33 schools, you will find that Murray State University is first of all these 33 institutions in improving our graduation rates. We are almost at 18 percent which is first in this five-state region of significantly improving our graduation rates. The other Kentucky institutions are Kentucky State at 10.5 percent; Morehead State at 9.2 percent; Northern Kentucky at 8.9 percent; Eastern Kentucky 8.8 percent; Western Kentucky at 7.5 percent; and the University of Louisville at 6.3 percent. This tells us that in the last six or seven years, the Board of Regents, the faculty and staff at Murray State have done an excellent job in significantly improving particularly against our peers. That's why we welcome competition; we welcome comparisons; we welcome a federal move in this direction to start studying the outcomes of universities.

Graduation Rate Improvement

We took a look at 628 public universities in the Nation and we had 17.4 percent improvement in our graduation rate over the last seven years. Where does this put us nationally against the 628 universities around the country, not just the five-state region? Washington University (KS) leads in graduation rate improvement; Bluefield State University (WV) is second; University of Maryland-University College is third; University of Minnesota, Crookston is fourth; CUNY College of Staten Island is fifth; University of Texas at Dallas is sixth; Louisiana Tech is seventh; and Murray State University is the eighth best improved university in the country with Temple University following along with Langston University. This says that not only are we the best in the five-state region, but we are eighth best in the last seven years in improving our graduation rates of the 628 public universities in the United States. All of our faculty and staff are doing an excellent job in working with our students.

Additional Report Items

For the first time in twelve years that we have been keeping the Kentucky Plan, we have succeeded in all categories. Three years ago we only succeeded in five of the categories and we lost our academic program qualifications. The CPE suspended our academic program; we couldn't add any more academic programs and could not expand. This is the first time that we have reached all eight categories included in the Kentucky Plan, improving our minority attendance, improving our minority faculty and staff ratios, and improving our minority graduation rates. A lot of credit goes to Vice President for Student Affairs Don Robertson and his staff, Provost and Vice President for Academic Affairs Gary Brockway, and a lot of people who have paid a lot of attention to this issue. We have a long way to go, but we are making great improvements and we have never before reached the 8 of 8 categories.

On March 10, 2005, the Nobel Peace Price recipient, F. W. de Klerk, will be speaking on campus. This is a big event for all of us and I hope all of you attend. This is probably the biggest
speaker we have had on campus.

Our American Humanics Program will be highlighted next week by PBS nationally. They are doing a documentary on American Humanics and services. We have the largest program in the United States and Murray State is going to be the center of this documentary along with the University of Michigan and Arizona State.

The first week of March we will have a team of about twelve presidents and provosts on our campus to study why our graduation rates have improved. We have been identified as one of twelve schools that have done the best of the 400 American Association of State Colleges and Universities (AASCU) institutions.

In our development efforts this year, we are 82 percent ahead of where we were last year at this time. We have raised $4.7 million. The Dr. Arthur J. Bauernfeind Gift to benefit the Waterfield Library renovation project/Student Recreation and Wellness Center/College of Business and Public Affairs helped reached that goal.

The MSU Faculty Senate has been asked to chair and put together a committee to study salary equity. The responsibility of the committee will be to carefully examine and analyze the fairness of salary compensation for individual faculty members and to determine if the percentage increases in salaries have resulted in cases of unintended disparities throughout the academic environment. Members of the committee present were Ed Thome, Joy Navan, Bonnie Higginson, Ken Bowman, Maeve McCarthy, Nancey France, and Terry Strieter. This committee will try to predict where we are, where we’ve gone, and where we are headed in the future.

We have three important searches going on: the Dean of the School of Agriculture, Dean of the College of Education, and the Athletic Director Search.

(See Attachment #1)

Chair’s Report

The Chair had no report.

Report of the Treasurer, accepted

Treasurer Tom Denton presented and reviewed the financial and investment reports for the period of July 1, 2004, through December 31, 2004. Following a brief discussion, Mrs. Travis moved, seconded by Ms. Dial, that the Treasurer’s Report be accepted. Motion carried.

(See Attachments #2 and #3)

Gifts, accepted

A. General Ionex Tandetron 4417 Accelerator

Mr. Miller moved, seconded by Ms. Reed, that the Board of Regents, upon the recommendation of the President of the University, accept the donation of a General Ionex Tandetron 4417 Accelerator, valued at $50,000 which was donated by the Office of Science and Engineering Laboratories of Rockville, Maryland. Motion carried.

The gift of the accelerator will be used in the Physics and Engineering Department.

B. Ion Accelerator and Supporting Equipment

Ms. Reed moved, seconded by Ms. Hays, that the Board of Regents, upon the
recommendation of the President of the University, accept the donation of an ion accelerator and supporting equipment valued at $50,000 which was donated by Indiana University of Pennsylvania of Indiana, Pennsylvania. Motion carried

The gift of the ion accelerator will be used in the Physics and Engineering Department.

**Naming of Facilities, approved**

A. **Office of African-American Student Services and Ethnic Programs**

Ms. Burr moved, seconded by Ms. Reed, that the Board of Regents, upon the recommendation of the President of the University, approve the naming of the Office of African-American Student Services and Ethnic Programs located in the Curris Center for Dr. Marvin Mills. Motion carried.

The Committee on Naming Campus Facilities, Programs, and Activities approved this recommendation. The Committee forwarded this recommendation and the attached resolution in recognition of Dr. Marvin D. Mills and his continued support of Murray State University.

(See Attachment #4)

B. **Student Recreation and Wellness Center**

Mrs. Buchanon moved, seconded by Mrs. Travis, that the Board of Regents, upon the recommendation of the President of the University, approve the naming of the Student Recreation and Wellness Center the Susan E. Bauernfeind Student Recreation and Wellness Center in memory of the daughter of Dr. Arthur J. Bauernfeind. Motion Carried.

The University Naming of Campus Facilities Committee forwarded the recommendation based upon the extreme generosity of Dr. Arthur J. Bauernfeind, a 1960 graduate of Murray State University.

In FY 2004-2005, Dr. Bauernfeind made a significant gift that will benefit the Student Recreation and Wellness Center, the Library's Renaissance for Knowledge effort, and the College of Business and Public Affairs. It is because of his generosity that this recommendation is wholeheartedly submitted.

**Honorary Doctorate Degree, awarded**

Ms. Reed moved, seconded by Mrs. Buchanon, that the Board of Regents, upon the recommendation of the President of the University, approve the awarding of the degree of Doctor of Humane Letters, Honoris Causa, to F.W. de Klerk during his March 10, 2005, visit to Murray State University. Motion carried.

Nobel Peace Prize winner F.W. de Klerk will be the first speaker in the newly-created Presidential Lecture Series on Thursday, March 10, 2005, at 7:00 p.m. in Lovett Auditorium. The event is also being sponsored by the Student Government Association.

The MSU Commencement Committee unanimously approved the awarding of the degree of Doctor of Humane Letters, Honoris Causa, to F.W. de Klerk during his March 10, 2005, campus visit.

**Personnel Changes**

A. **Salary Roster, Report of New Employment, and Report of Resignations, Terminations and Retirements, approved**
Mrs. Travis moved that the Board of Regents, upon the recommendation of the President of the University, approve the Salary Roster as of January 1, 2005; the Report of Resignations and Terminations for the period of August 1, 2004, through December 31, 2004; and the Report of New Employment for the period of August 1, 2004, through December 31, 2004. Effective date of information on all reports is January 1, 2005.

Mr. Stout seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Ms. Burr, yes; Ms. Dial, yes; Mrs. Ford, yes; Ms. Hays, yes; Mr. Miller, yes; Ms. Reed, yes; Mr. Stout, yes; Dr. Strieter, yes; Mrs. Travis, yes; and, Mr. Sparks, yes. Motion carried.

B. Staff Leaves of Absence Without Pay, approved

Mr. Miller moved, seconded by Ms. Dial, that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay as listed below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department/Position</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rita Chappell</td>
<td>Facilities Management</td>
<td>1/11/05–2/11/05</td>
</tr>
<tr>
<td>Beverly Chesterfield</td>
<td>Registrar’s Office</td>
<td>11/10/04–12/13/04</td>
</tr>
<tr>
<td>Debbie Ferguson</td>
<td>Food Service</td>
<td>1/12/05–2/28/05</td>
</tr>
<tr>
<td>Sonya Goggin</td>
<td>Bursar’s Office</td>
<td>1/24/05–1/28/05</td>
</tr>
<tr>
<td>Johnny Henson</td>
<td>Facilities Management</td>
<td>11/15/04–12/31/04</td>
</tr>
<tr>
<td>Kelli Lamb</td>
<td>CEAO–Henderson Campus</td>
<td>1/1/05–6/30/05     *</td>
</tr>
<tr>
<td>Gary Scott</td>
<td>WKMS</td>
<td>11/1/04–11/30/04</td>
</tr>
<tr>
<td>Joseph Slinker</td>
<td>Facilities Management</td>
<td>10/29/04–3/4/05</td>
</tr>
<tr>
<td>Michael Thompson</td>
<td>Facilities Management</td>
<td>11/19/04–1/18/05</td>
</tr>
<tr>
<td>Cherie Timberlake</td>
<td>Educational Talent Search</td>
<td>12/1/04–12/31/04</td>
</tr>
<tr>
<td>Cherie Timberlake</td>
<td>Educational Talent Search</td>
<td>1/1/05–2/28/05     *</td>
</tr>
<tr>
<td>James Wilford</td>
<td>BVC</td>
<td>10/29/04–11/3/04</td>
</tr>
<tr>
<td>Ashley Woods</td>
<td>BVC</td>
<td>11/1/04–12/7/04</td>
</tr>
<tr>
<td>Angela Wyatt</td>
<td>ESL Program</td>
<td>11/1/04–1/31/05    *</td>
</tr>
</tbody>
</table>

* Intermittent Leave

Motion carried.

C. Extension of Faculty Leave of Absence Without Pay, granted

Mrs. Ford moved, seconded by Mrs. Buchanon, that the Board of Regents, upon the recommendation of the President of the University, grant the request for the extension of leave of absence without pay to Chekita Hall, English and Philosophy, effective 8/15/05–5/15/06. Motion carried.

D. Sabbaticals, granted

Dr. Strieter moved that the Board of Regents, upon the recommendation of the President of the University, grant the following requests for sabbatical leaves for the periods indicated:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department/Position</th>
<th>Dates</th>
<th>Salary Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glynn Mangold</td>
<td>Management, Mktg &amp; Bus. Admin.</td>
<td>1/1/06–5/15/06</td>
<td>Full salary/1 semester</td>
</tr>
<tr>
<td>Sarah Gutwirth</td>
<td>Art</td>
<td>8/15/05–12/31/05</td>
<td>Full salary/1 semester</td>
</tr>
<tr>
<td>Peggy Schrock</td>
<td>Art</td>
<td>1/1/06–5/15/06</td>
<td>Full salary/1 semester</td>
</tr>
<tr>
<td>Sarah Aguiar</td>
<td>English &amp; Philosophy</td>
<td>8/15/05–12/31/05</td>
<td>Full salary/1 semester</td>
</tr>
</tbody>
</table>
Joseph Fuhrmann  
History  
1/1/06–5/15/06  
full salary/1 semester

Randall Black  
Music  
1/1/06–5/15/06  
full salary/1 semester

Claire Fuller  
Biological Sciences  
8/15/05–12/31/05  
full salary/1 semester

Sterling Wright  
Biological Sciences  
1/1/06–5/15/06  
full salary/1 semester

Ricky Cox  
Chemistry  
8/15/05–5/15/06  
full salary/2 semesters

William Palmer  
Industrial & Engineering Technology  
8/15/05–5/15/06  
half salary/2 semesters

Maeve McCarthy  
Mathematics & Statistics  
1/1/06–5/15/06  
full salary/1 semester

Ms. Reed seconded and the motion carried.

E. Chair, Department of Music, appointed

Dr. Strieter moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Dr. Pamela Wurgler, Associate Professor of Music, as Chair of the Department of Music, effective July 1, 2005, at a fiscal year salary of $66,000.

Ms. Hays seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Ms. Burr, yes; Ms. Dial, yes; Mrs. Ford, yes; Ms. Hays, yes; Mr. Miller, yes; Ms. Reed, yes; Mr. Stout, yes; Dr. Strieter, yes; Mrs. Travis, yes; and, Mr. Sparks, yes. Motion carried.

F. Director, Center for Telecommunications Systems Management, appointed

Mrs. Buchanan moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Dr. James Gant as Director of the Center for Telecommunications Systems Management, effective February 1, 2005.

Ms. Reed seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Ms. Burr, yes; Ms. Dial, yes; Mrs. Ford, yes; Ms. Hays, yes; Mr. Miller, yes; Ms. Reed, yes; Mr. Stout, yes; Dr. Strieter, yes; Mrs. Travis, yes; and, Mr. Sparks, yes. Motion carried.

G. Interim Athletic Director, appointed

Mr. Miller moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Bill Whittaker as Interim Director of Athletics effective February 25, 2005, at an additional salary of $3,000 per month. This appointment will expire upon the hiring of a full-time Director of Athletics.

Mrs. Burr seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Ms. Burr, yes; Ms. Dial, yes; Mrs. Ford, yes; Ms. Hays, yes; Mr. Miller, yes; Ms. Reed, yes; Mr. Stout, yes; Dr. Strieter, yes; Mrs. Travis, yes; and, Mr. Sparks, yes. Motion carried.

Committee Reports

A. Academic Affairs - Dr. Strieter.
New Degree Program

On behalf of the Academic Affairs Committee, Dr. Strieter moved that the Board of Regents, upon the recommendation of the President of the University, approve adding the following degree to be housed in the Department of Computer Science and Information Systems and that it be added to Murray State University's program inventory.

CIP 52.1201 Master of Science in Development of Computer Applications

Mrs. Travis seconded and the motion carried.

Restructuring of the School of Agriculture

On behalf of the Academic Affairs Committee, Dr. Strieter moved that the Board of Regents, upon the recommendation of the President of the University, approve restructuring the School of Agriculture by creating three academic departments—Department of Agricultural Science, Department of Animal/Equine Science, and the Department of Animal Health Technology/Pre-Veterinary. This change will be effective July 1, 2005. Ms. Hays seconded and the motion carried.

B. Athletic - No report.

C. Audit - Mr. Sparks.

On behalf of the Audit Committee, Mr. Sparks moved that the Board of Regents, upon the recommendation of the President of the University, authorize the renewal of the contract with BKD LLP for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2005, at a total cost of $82,400 plus an expected fee increase of $15,000 for changes in the intercollegiate Athletic Agreed Upon Procedures report. Several changes in this report are required by the NCAA for implementation in the June 30, 2005, audit report.

Mrs. Buchanan seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Ms. Burr, yes; Ms. Dial, yes; Mrs. Ford, yes; Ms. Hays, yes; Mr. Miller, yes; Ms. Reed, yes; Mr. Stout, yes; Dr. Strieter, yes; Mrs. Travis, yes; and, Mr. Sparks, yes. Motion carried.

D. Buildings and Grounds - No report.

E. Development/Investments - No report.

F. Equal Opportunity/Affirmative Action - No report.

G. Faculty/Staff Affairs - No report.

H. Finance - Mr. Sparks

Audit Contract Renewal

On behalf of the Finance Committee, Mr. Sparks asked that the record show that the Finance Committee joins the Audit Committee in approving the renewal of the Audit Contract.

Course Fees

On behalf of the Finance Committee, Mr. Sparks moved that the Board of Regents, upon the recommendation of the President of the University, approve the addition of a $20 course fee for the following education courses located on the Murray campus only that include field experiences in the public schools and require transportation to and from such sites, effective with the fall semester 2005:
EDU 103 - Issues and Practices of American Education
CTE 200 - Introduction to Career and Technical Education
ELE 304 - Teaching Mathematics in Elementary P-5
ELE 401 - Teaching Social Studies in Elementary P-5
SED 300 - Educating Students with Disabilities
PHE 404 - Adapted Physical Education

Mrs. Ford seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Ms. Burr, yes; Ms. Dial, yes; Mrs. Ford, yes; Ms. Hays, yes; Mr. Miller, yes; Ms. Reed, no; Mr. Stout, yes; Dr. Strieter, yes; Mrs. Travis, yes; and, Mr. Sparks, yes. Motion carried.

Budget Preparation Guidelines

On behalf of the Finance Committee, Mr. Sparks moved that the Board of Regents, upon the recommendation of the President of the University, approve the Budget Preparation Guidelines and Priorities as presented in the attached document. Mrs. Ford seconded and motion carried.

(See Attachment #5)

Lease Agreement

On behalf of the Finance Committee, Mr. Sparks moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached resolution authorizing the rental of the house located at 907 Waldrop Drive, in Murray, Calloway County, Kentucky, to Representative Melvin Henley for use solely as a legislative field office. Mrs. Buchanon seconded and the motion carried.

(See Attachment #6)

Adjournment

Mr. Miller moved, seconded by Mr. Stout, that the meeting adjourn. Meeting adjourned at 2:55 p.m.

Chair

Secretary

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Secretary
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[Signature]
Secretary