Minutes of the Special Board of Regents Meeting
Murray State University
Monday, April 13, 2009
Jesse Stuart Room – Pogue Library
1 p.m.

The Board of Regents of Murray State University met on Monday, April 13, 2009, in special session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Alan Stout called the meeting to order at 1 p.m. and welcomed members of the University community, news media and general public.

Roll Call

The roll was called and the following members were present: William Adams, Marilyn Buchanon, Beverly Ford, Peg Hays, Laxmaiah Manchikanti, Kara Mantooth, Jay Morgan, Jeff Taylor, Vickie Travis, Gina Winchester and Alan Stout. Absent: none.

Others present were Randy J. Dunn, President; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to 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; Jim Carter, Vice President for Institutional Advancement; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, University Counsel; and members of the faculty, staff, students, news media and visitors.

AGENDA

SPECIAL MEETING OF THE BOARD OF REGENTS
Murray State University
Jesse Stuart Room, Pogue Library – 2nd Floor
Monday, April 13, 2009
1 p.m.

1. Call to Order/Roll Call

2. Public Participation
   (Public comments will be restricted to agenda items only and are subject to Public Participation Guidelines for Open Board of Regents Meetings.)

3. Tuition Task Force Report and Recommendations* Judge Taylor

4. 2009-10 Tuition and Mandatory Fees* Dr. Dunn

5. 2009-10 Housing Rates* Dr. Dunn

6. 2009-10 Dining Rates* Dr. Dunn

7. Agriculture Task Force Report and Recommendations* Ms. Hays

8. Adjournment

Public Participation

Chair Stout announced the meeting is being streamed via the Internet and because it is a special call meeting the Board is limited to consideration of only those items on the agenda.

Chair Stout indicated nine individuals signed up for the public participation portion of the meeting and all speakers would be subject to the established Public Participation Guidelines for Open Board of Regents Meetings. This portion of the meeting will be limited to 30 minutes and
any public comments are restricted to agenda items. Participants will be called forward in the order in which they signed up and each speaker will be limited to approximately three minutes.

- **Ryan Walls** – Mr. Walls is President of the Honors Program Student Council and stated the following:
  - The Honors Program is home to Honors Diploma candidates at Murray State who are required to take an honors sequence, study abroad, take 12 hours of foreign language and write a senior honors thesis. This is an ambitious curriculum and some outstanding students over the past 20 years have completed the program.
  - Many students who have completed the Honors Diploma curriculum became outstanding senior men or women on campus and two in particular are Tera Rica Murdock and Mitchum Owen. Tera Rica was a Chemistry and Spanish double major and is now at Vanderbilt Law School and serves as Editor of the Vanderbilt Journal of Transnational Law.
  - Mr. Walls is concerned how uncapping hours will affect the quality of the MSU Honors Diploma and stature of alumni. Honors Program students are currently required to take in excess of 120 hours and he is unsure whether most of these students will be able to continue to do so. If the recommendation of the Task Force is approved, he is not sure how the Honors Program will be able to advertise the quality of a Murray State education. Uncapping hours at 15 severely limits the program’s ability to promote quality.
  - Mr. Walls is taking 19 hours this semester and with the uncapping of hours would be required to pay approximately $1,000 more in tuition. He urged Board members to consider the impact this change in the tuition structure could have on the Honors Program and how it could affect the quality of alumni the program will be able to produce in the future. These are the individuals who could become future donors for the University.
  - Mr. Walls thanked the Board for their time and for listening to his comments.

- **Jessica Moore** – Ms. Moore is representing Sigma Alpha Iota, is a senior, a candidate for the Honors Diploma, is a chemistry and music performance double major and stated the following:
  - She wanted to address the Board about the uncapping of tuition and how it will affect teaching standards at Murray State. She loves MSU because it is a public ivy school, has a residential college system and small class sizes and those features make this institution a wonderful place she has loved for the past five years.
  - Students receive a quality education at MSU and are able to freely study diverse fields, not necessarily included in their major, and uncapping hours will severely limit a student’s ability to do that and could negatively affect the Characteristics of a Murray State Graduate. It is important for students to be able to speak eloquently and obtain a mastery of fields other than their major. Uncapping hours could discourage students from becoming diverse scholars and degrees will become more vocational in nature. She feels Murray State should not go in this direction but should continue to produce diverse scholars.
  - Competency in a student’s chosen field is also important and Ms. Moore questions whether she will be competent in the music field if the program is reduced to 120 hours. Graduates must be confident in their degree from Murray State and must also be convinced they are able to become movers and shakers within their field.
  - Ms. Moore pointed out a “Fostering Excellence” banner behind the Board members, stating this means being allowed and encouraged to go above and beyond the minimum requirements. Board members should think about future scholars and what an MSU degree will mean if students are restricted to 15 hours per semester.

- **Warren Edminster** – Dr. Edminster is Director of the Honors Program and stated the following:
  - He understands the Board’s need to diminish the gap between funding and expenses for next year. The current proposal has several disadvantages, and because the dollar amount per hour over 15 is so high and is being placed on the shoulders of so few, it will create serious disincentives to students. MSU encourages students to be a part of the Honors Program, study abroad, participate in the Racer Band and earn education degrees.
  - It would be nearly impossible for students to schedule only 15 hours per semester throughout their entire college career. Because of two, four and five-hour courses and because of the availability of classes a student must take at certain times, most students take a wide range of hours – even though the average is 15. The current proposal becomes a disincentive and almost a penalty to students who take over 15 hours and will cause many to schedule under 15 hours. This could reduce retention rates and that is one of Murray State’s most notable characteristics as evidenced by rankings from U.S. News and World Report.
  - Uncapping hours is an unstable way to raise revenue and if this disincentive is created students may change their behavior and MSU may not raise the amount of revenue needed. He asked the Board to consider uncapping hours at 12 to spread the cost among all students to $30 per hour for any hours over 12. He does not believe students will change their behavior at the 12 hour level the way they would if the University charges the full regular tuition rate at the 15 hour
level. This method would produce as much revenue, if not more, and becomes a more stable source of income for the University.

- Dr. Edminster thanked the Board for their time.

- **John Fannin** – Chair Stout introduced Mr. Fannin, Assistant Conductor of the Symphonic Wind Ensemble, which will perform in two weeks at the Kennedy Center in Washington, D.C. Mrs. Buchanon stated Mr. Fannin was also recently selected as Kentucky Music Educator of the Year.

- Mr. Fannin indicated he is speaking on behalf of his students, having received a flood of emails from members of the Racer Band about how the uncapping of hours would affect them. The Band feels a great deal of support from the Board and the administration and plays a major role on campus. Students are concerned about how uncapping hours will affect their ability to remain a member of the Racer Band and some have indicated they could not be a member of the Band if this proposal takes effect. If a student is a member of the Racer Band for four semesters, it would cost them almost $1,000 over their college career. There are also many students who participate in music ensembles each semester and the additional charge for those students would be almost $2,000. Non-music majors who take an extra music ensemble enrichment course will most likely opt out of those classes simply because they cannot afford them.

- Mr. Fannin questioned why a few students should subsidize other students and believes students in music ensembles have subsidized other students for years with their contributions to campus activities and the overall mission of the University. The entire campus benefits from these music ensembles which require a significant time commitment from students and MSU should not ask these students to pay for sharing their time and talent.

- Next year’s Racer Band will arrive on campus one week early and will practice 83 hours before school starts, will practice 45 hours during the fall semester and will spend 52 hours providing entertainment for other students, Murray State fans and performing for over 3,000 high school students at MSU recruiting events. Music ensemble students are great ambassadors for the University and a significant drop in participation could occur if this tuition model is approved.

- Mr. Fannin reported annually 55 to 70 percent of Racer Band members are non-music majors and this past year the Racer Band had 244 members (129 new members), which is 9.1 percent of the entire freshman class, and helped generate over $1.3 million in new revenue. Many times these new students see the Racer Band perform at a recruiting event and indicate the performance played a role in their decision to attend Murray State. The Racer Band is an integral part of the lives of many students in the Honors Program as well as those who participate in enrichment programs on campus and represents the Murray State brand.

- Uncapping hours will greatly hamper the Music Department’s ability to attract students to campus. When Mr. Fannin arrived on campus in 1995, the Racer Band consisted of students who were required to be a member of the band as part of their degree program and there were very few students who were non-majors. Today the Racer Band has made significant gains with non-major students and he is concerned this policy will detrimentally effect the program’s ability to attract students.

- **Pam Wurgler** – Dr. Wurgler, Professor of Music, stated the following:

  - Music ensembles include choirs, bands, orchestras, the trumpet ensemble, brass choir and chamber singers. These ensembles are part of the face of Murray State, with 244 students on the football field for the Racer Band, Chamber singers providing the annual Madrigal Dinner entertainment, choirs and jazz bands traveling to area schools and working with students and providing resources for teachers. These groups help provide the much-touted regional stewardship that is part of the University’s goals.

  - The Symphonic Wind Ensemble will perform at the Kennedy Center in Washington, D.C., taking Murray State’s name far and wide. All ensembles give back to the University by attracting students and adults to the beautiful campus, providing cultural activities for the region and assisting with the recruitment of new students.

  - Music Majors are required to take one major ensemble every semester as part of their degree plan, however, most students take two or three ensembles for various reasons but mainly to make themselves better musicians and provide more service to the University. Non-majors who join the orchestra, marching band and choir would truly be “paying to play” if MSU uncapped hours and Dr. Wurgler asked the Board to exempt music ensembles from the proposal.

  - Solutions must be developed that will allow the Music Department to continue the impressive marching band and Dr. Wurgler believes uncapping at 15 hours and charging 100 percent of the regular tuition rate for additional hours may not be the only solution. Perhaps uncapping at 15 hours could change or the 100 percent charge could change — ensembles could also be exempted so students are allowed to participate without having to pay extra to play in the ensemble of their choice. In these depressed economic times, the University could also choose to use reserves to help cover the cost of those degrees which require more than 120 hours and during better times these funds could be replaced.
- Dr. Wurgler encouraged the Board to consider different options that are available so that the University can keep enrollment numbers up, maintain the high quality of programs and support the image of MSU as a cultural center and resource to area schools, teachers and communities.

**Katie Graves** – Ms. Graves spoke on behalf of the Racer Band and stated the following:
- If the proposal to charge per credit hour passes it will create a financial burden on the “No Child Left Behind Act” where students who excel and go above and beyond will be forced into a level of mediocrity. She is a non-music major and former member of the Racer Band and this proposal has the potential to devastate enrollment in the largest organization on campus.
- The Racer Band holds a prominent and positive role in the community and plays an integral role in recruiting students to Murray State through events such as the Festival of Champions and the Regional Bands of America competition. She would not have paid extra to participate in the Racer Band, but credits the Band, through its leadership opportunities, with helping her succeed in her major and choose a career path and there are many other students who feel the same way.

**Marla Moore** – Ms. Moore is a candidate for the Honors Diploma and is a Graphic Design major and Spanish minor and spoke on behalf of the Art Department, indicating the following:
- Murray State’s website contains a value statement which reads, “Murray State values broad, equal and affordable educational access for all.” This is what Murray State currently provides to students but if the new tuition model is implemented it will directly contradict the value statement, affect the affordability of education at MSU and create inequality for educational access. For students in a major which requires more than 15 hours per semester, such as the Honors Program or Art, this proposal would be devastating and makes obtaining an education much more expensive and not all students can handle the additional cost. An MSU education should be equal, accessible and affordable for all students and this tuition increase does not uphold those values. She believes the University could instead identify a solution which adheres to its core values.

**Sara Norris** – Ms. Norris is a Presidential Scholar in the Honors Program and a History major and stated the following:
- She was a double major and those who have chosen that career path must take a minimum of 15 hours a semester, usually 18 or even 20 hours. This type of student has a wide range of abilities, talents and interests and this proposal will devastate their future career opportunities.

**Krystal Campbell** – Ms. Campbell is representing the Pre-Vet Club and gave a PowerPoint presentation which highlighted the following:
- The Animal Health Technology (AHT) program requires 126 hours to complete a degree and pre-vet students could take up to 137 hours which is a large number of hours above the 120 hours being discussed.
- The University is short approximately $3.4 million for the upcoming year due to budget cuts and the 4 percent tuition increase will generate approximately one-half of the shortfall which leaves $1.7 million that is still needed to continue the tradition of excellence at MSU.
- Ms. Campbell proposed hours be uncapped at 12, with 25 percent of the regular tuition rate being charged for credit hours 13, 14 and 15, and then charging 50 percent per credit hour for hour 16 and above. Proceeding in this manner would help freshman entering the University this fall and would also distribute the cost among all students. This plan will cost the average student taking 15 hours per semester (in order to graduate in four years with a 120 credit hour curriculum) a total of $1,494. She believes students should expect to pay more for a college education considering the current economy.
- This proposal, for accelerated students who average 18 credit hours per semester, would cost $4,482 but saves those students $1,494 over four years in comparison to the proposal to unc cap hours at 15 and charge 100 percent of the regular tuition rate. One way to avoid additional costs would be to take 12 hours per semester and FAFSA and most major insurance companies and universities define full-time status as 12 credit hours per semester.
- Effort should be made to ensure there are no “hidden costs” for incoming freshman and most universities that charge by the credit hour for any hours over 12 state this clearly on their websites. Many also provide tuition calculators so students can plug in the number of hours they plan to take and the tuition cost will be calculated. Ms. Campbell transferred from a college in Virginia that also charges per credit hour. The plan she is proposing would help keep the cost down, especially between hours 15 to 18.
- Ms. Campbell thanked the **Tuition Task Force**, the Board of Regents and those who helped to compile the information for the PowerPoint presentation.

On behalf of the Board of Regents, Chair Stout thanked all presenters for the well organized and concise presentations and stated the Board appreciates their comments and is committed to openness and transparency in the governance process.
On behalf of the Board, Chair Stout expressed appreciation to the members of the Tuition Task Force for their hard work and dedication to the process of reviewing the issue of tuition at Murray State University. Judge Taylor, Chair of the Tuition Task Force, stated the group was created as a result of Board discussion and was formed because tuition is a major issue affecting not only students but their families and the growth and future of the University. The goal of the Task Force was to review tuition to gain a greater understanding of the issue and create dialogue to start reviewing alternatives from both the public and the Board perspectives on how tuition should be addressed at MSU. Judge Taylor believes the Tuition Task Force has accomplished these objectives and has certainly generated interest in the topic.

The Tuition Task Force began meeting in October 2008, following the failure of legislation introduced in the General Assembly regarding a tuition freeze. Judge Taylor introduced the members of the Task Force and indicated they are concerned citizens with an interest in the future of the University:

- Keith Cartwright could not be present today. He is an attorney in Madisonville, Kentucky, is an alumnus of MSU and the parent of a Murray State student.
- Mike Freels is Director of the MSU Henderson extended campus and Interim Director of the Hopkinsville extended campus.
- Peg Hays has been a member of the Board of Regents for six years and is from Hopkinsville, Kentucky, owns her own business, has a tremendous grasp of basic business principles and has been of great assistance in moving the Task Force forward.
- Dave Hornback is a retired banker and alumnus of Murray State, had one child attend MSU and understands tuition from many different perspectives.
- Kara Mantooth is from Owensboro, Kentucky, is Student Regent and President of the Student Government Association and has been greatly involved in this process by providing a valuable student perspective to the issue, along with the two other student members of the Task Force.
- Doug Watkins is a retired banker from Owensboro, Kentucky, and a Murray State parent. His son is a member of the MSU Wind Ensemble and he provided valuable assistance as the parent of a current MSU student.
- Becki Wells works for the Workforce Development Division of the Hopkinsville Chamber of Commerce and her daughter will shortly complete the Master of Business Administration degree from MSU.
- Bret Welter is a Murray State junior and is an in-state student.
- Steve White is President of the Faculty Senate representing the University faculty and has been an excellent addition to the Task Force by providing a faculty perspective on tuition.
- Ashley Wild is an out-of-state student from St. Louis, Missouri, and is graduating soon.
- Tom Denton and Mrs. Lori Mitchum, Director of Financial Aid and Scholarships, served as ex-officio members of the Task Force.

The membership of the Tuition Task Force provided a wide breadth of experience and included individuals who have experience with tuition either as parents, students and/or alumni. The Task Force met seven times, excluding the meeting earlier today for the approval of minutes, and has heard from numerous speakers and reviewed voluminous documentation. Drs. Dunn and Brockway made presentations on behalf of the University and Mr. Denton and Mrs. Mitchum presented information to help members of the Task Force understand the role tuition plays in the University’s total budget and its importance to continuing operations. Ms. Crit Luallen, State Auditor of Public Accounts for the Commonwealth of Kentucky, spoke to the Task Force and provided copies of numerous articles and studies of the entire system in Kentucky produced in her role as State Auditor. She is a member of Governor Steve Beshear’s Higher Education Work Group (HEWG) and provided the Task Force with a preliminary overview of the HEWG draft report and discussed the results of the report with the group. Many of the documents provided by Ms. Luallen are included as appendices to the final report of the Tuition Task Force. Ms. Alison Marshall, MSU Interim Director for Enrollment Management, addressed the Task Force regarding enrollment trends and Mr. Ron Crouch, Director of the Kentucky State Data Center, is a numbers cruncher and understands statistics, demographics and population data and provided an analysis of such data from a variety of perspectives. Mr. Crouch utilized data from the Pennyrile, Purchase and Green River regions, as well as other information which is summarized in the final report. Ms. Mantooth, along with the two other student representatives, developed a tuition survey for students, compiled information on tuition in general and provided
a summary report which gives an overview of how students perceive the tuition issue and how it affects their ability to graduate. Those results are contained as an appendix to the Tuition Task Force Report, with the entire document available to Board members if requested. The Tuition Task Force made several recommendations but in reviewing the tuition history at Murray State the best starting point is Appendix A, which goes back to 1987 and analyzes Murray State compared to the other public universities in the state. The attached chart showing an analysis of Murray State’s tuition since 2000 was presented and discussed.

(See Attachment #1)

The Task Force met based on the premise of addressing an issue which could potentially become a problem for Murray State in an open and educated manner to present to the Board of Regents alternative ways to address tuition. If the University does not control tuition it will become an issue that adversely affects Murray State and perhaps to some degree already has. The chart provided is historical in nature and in the base fiscal year 1999-2000, tuition was $1,200 per semester at Murray State. The first column shows the actual amount of tuition increase from the base year. For 2000-01 tuition increased to $1,278 per semester and for the current year (2008-09) tuition has increased to $2,874 per semester and this is the figure the Board will address for purposes of the 2009-10 tuition increase. The next column represents the dollar increase in tuition from one year to the next and illustrates from 1999-00 to 2000-01 tuition increased $78, etc. With a 6 percent tuition increase last year, Murray State increased tuition $165 over 2007-08 rates per semester. The percentage increase each year is provided in the fourth column and the total percentage tuition increase since 2000 is 92.12 percent. The final column is the increase over the base number from 1999-00 ($1,200) each year. Murray State’s tuition (actual dollars) since 1999-00 has increased 139.5 percent, an average of slightly over 10 percent per year. This information is the premise of what the Task Force reviewed and was used to help determine whether the University should continue to increase tuition or if alternatives to limit tuition increases could be identified. Concern centered on continuing to increase tuition because doing so will eventually limit the ability of students to attend MSU.

Judge Taylor clarified no group has been targeted and the goal of the Task Force was to create a dialogue for discussing alternatives to tuition increases. To illustrate the dynamics of the issue, the University is currently undergoing a period of reduced appropriations from the state. Since July 1, 2007, through June 30, 2009, MSU will have given back (not just reduced appropriations) money already appropriated in the amount of $4.2 million and is facing further reduced appropriations of another 2 percent as of July 1, 2009. Over the last two years tuition increased 6.1 percent and 8.4 percent, respectively, and if a 4 percent tuition increase for 2009-10 is approved, that will be an increase of 18.5 percent and represents the lowest of any Kentucky university over the last three years, including the current fiscal year. For the three years prior the University increased tuition 39.6 percent and it has been the consensus of the Board over the last two years and coming into this year, that every effort should be made to keep tuition as stable, low and as affordable as possible.

The first recommendation of the Tuition Task Force, to increase tuition by 4 percent, is based on limits set by the Council on Postsecondary Education (CPE). The Task Force considered upcoming challenges, including the University is facing a 2 percent cut for the current year and that the CPE has placed a 4 percent cap on tuition increases. Given these considerations, the Task Force unanimously recommended a 4 percent tuition increase. The Tuition Task Force reviewed alternatives, all meetings were open to the public, discussions at those meetings were publicized in local papers and it was clear the Task Force was reviewing potential tuition models. The Board must start reviewing alternative ways to generate revenue during a time when state appropriations are declining and tuition has escalated to the point where some students may not be able to afford college. Dr. Brockway made a presentation regarding the various tuition models and the Task Force considered the model of charging 25 percent of the regular tuition rate for any hours above 12 and the different arguments associated, including maintaining quality and ensuring fairness for all. Judge Taylor cautioned all to remember every time tuition is increased, whether by 15.9 percent or 6.1 percent, the increase is there forever. If a student is a freshman and has six semesters left to complete his or her degree, the percentage increase must be multiplied by 6 (representing remaining semesters) and is what the student will pay for the remainder of their career at Murray State. This is in opposition to setting a minimum number of hours to be provided to students for one price and under the 25 percent/12 hour model students
would pay a premium for each additional hour. The Task Force did not review the dynamics of specific departments, including Music which has raised legitimate concerns, and Freshman Orientation issues which have surfaced. Freshman Orientation is a pass/fail one-hour class and will push many students over the minimum number of hours their first semester. The Task Force was not sure it would be equitable to charge an additional amount for a pass/fail course and many were not aware the course still existed. The 
Tuition Task Force
was charged with identifying alternative tuition models but the Board must make hard decisions about how the University proceeds. Tuition was reviewed from a variety of perspectives and the Task Force made the best recommendations under current circumstances in order to facilitate Board discussion on alternative tuition models.

Judge Taylor stated several dynamics come into play with the per credit hour tuition model. It could be assumed all Murray State students graduate in four years and in reviewing degree programs information provided by Dr. Brockway, most programs require 120 hours and an effort is being made to move those programs which require more than 120 hours to that level. The different degree programs with a teaching certificate or teaching element require more hours but every student knows coming into the program earning a teaching certificate will require them to take more than 120 hours. The reason the Task Force recommends uncapping hours at 15, from an equity standpoint, is because this is the number of hours students are required to take per semester over eight semesters in order to earn a degree (120 hours). According to Mr. Crouch, state statistics show the state graduation average in Kentucky is actually approaching six years – Murray State’s average is slightly between four and one-half to five years. Statistics show students are not graduating from MSU with an average of 150 to 160 hours but are graduating with between 120 and 130 hours and those receiving teaching certificates are graduating with an average of 138 hours.

Mr. Denton provided a breakdown of practically every hour taken by MSU students last year and, considering the total student body, it was discovered a relatively small percentage of students are taking over 15 hours and the number is even smaller for those taking over 16 hours. There are specific situations the Board will need to address where students are required to complete additional hours above the 120 hour standard. Murray State presently has the second lowest tuition of any Kentucky university and a chart was presented which provided a comparison to three other institutions utilizing the 15 hour cap tuition model. The chart (assuming students graduate within four years) illustrates with the 15 hour cap and assuming a charge of 100 percent of the regular tuition rate for every hour over 15 (and assuming no tuition changes at the comparison institutions), total tuition at Murray State for eight semesters would be $24,908, in comparison to tuition at Western Kentucky University, $27,720; Eastern Kentucky University, $24,320 and the University of Kentucky, $31,840. Based on information received by the Task Force, an assumption was made that most students would not take more than an additional eight hours during their four years at MSU but also does not allow for the Board to make exceptions. Students pay approximately $7,500 ($3,000 in tuition plus room and board) for each additional semester they remain at the University, which amounts to $15,000 for just two additional semesters. Students must find a balance between planning their schedules and deciding whether to graduate early. If students make the choice to graduate early they must be willing to pay more. A positive outcome from adopting this model is students would be more careful in planning their schedules and would take more responsibility for graduating on time. This is how the 
Tuition Task Force
arrived at the recommendation that full-time students who take up to 15 hours pay the regular tuition rate and if they take over 15 hours will be charged 100 percent of the regular tuition rate for each additional hour. Based on an analysis of the number of hours students are taking this semester and assuming no substantial change in future semesters, this model would generate approximately $1.7 million in additional revenue.

Judge Taylor reported in the 1970s state appropriations accounted for almost 70 percent of the budget and today tuition makes up 38.5 percent of the total MSU operating budget and state appropriations make up only 39 percent, with the remaining budget coming from auxiliaries. Although indications are the situation is not going to improve any time soon, the 
Tuition Task Force
recommended if state appropriations start increasing the Board should consider reverting to the tuition structure currently in place. Additional Task Force recommendations include:

• Considerable effort should be made to increase enrollment. If enrollment increases by 1,000 students this generates (after scholarships, waivers and discounts) a net revenue of approximately
$3.6 million based on current tuition numbers. An initiative is currently in place to increase enrollment at MSU to 12,000 students by 2012 and, if successful, the University could net $7 million.

• At the extended campuses there is a tuition issue (noted in the final report), which needs to be addressed separately by the Board and there may not be equity in terms of how full and part-time students at the extended campuses are charged. As with other institutions in Kentucky that are growing, specifically Western Kentucky University, their President has indicated any enrollment growth will come from the extended campuses and this will be the case over the next five years. WKU is adjusting its marketing strategy to address this issue and Judge Taylor has witnessed this first hand in Owensboro where a $6 million building is currently being constructed. WKU plans to do even more in those areas which fall within their service region and Murray State must do the same in its service areas which represent the potential for significant growth, including Hopkinsville, Madisonville, Henderson, Paducah and the surrounding regions.

• Other potential sources of revenue should be reviewed, including auxiliary fees, and while this is something the administration is constantly striving to do, it is the responsibility of all associated with the University to help make MSU successful and includes involvement from not only the Board of Regents and the administration but students and alumni as well. If students are able to convince just one high school student from their home county and state to attend MSU, this would significantly increase enrollment and would substantially increase revenue. Murray State is a great university and, regardless of any tuition adjustments made today, will remain the best academic value in Kentucky.

Judge Taylor stated this concludes the summary of the Tuition Task Force report and members of the Task Force are present to answer any questions.

Dr. Manchikanti indicated from earlier testimony it appears students prefer to uncap hours at 12 and suggested charging an additional $30 per credit hour above that. He does not believe it is reasonable for students to be faced with an unexpected, additional bill of $3,000 to $4,000 per year if they take more than 12 hours. If other options were reviewed, he inquired why charging 100 percent of the regular tuition rate per hour above 15 hours was chosen as the preferred model. Judge Taylor explained the Task Force was trying to balance equities and it was determined if students took only 12 hours per semester they would be unable to graduate in four years. Dr. Manchikanti asked what the disadvantage would be to uncapping hours at 12 as opposed to 15 and Judge Taylor indicated there is no disadvantage and if the University uncapped hours at 12 and charged 100 percent of the regular tuition rate per credit hour above 12 hours this would net $8 million per year. Dr. Dunn reminded Board members their supplemental packets contain a chart which breaks down this information by credit hour and percentage and includes discounts and waivers.

In response to a question from Mrs. Buchanon, Dr. Brockway reported there are 138 baccalaureate degree programs at MSU (with various options). He distributed information illustrating the number of degree programs which require 120 hours under the current Undergraduate Catalog. New catalog revisions are underway for 2009-11 and programs that have reduced hours to meet the 120 hours standard required for a degree have already been submitted to the Academic Council to be included in the catalog. This is an ongoing process and more programs are making revisions for the new catalog and the number of programs requiring 120 hours will increase. He provided information on the Bachelor of Arts (B.A.) Degree in History and explained the way the program is currently configured students are required to take courses in four areas, including general education, and all baccalaureate programs require this block of courses be taken. There are also courses within the student’s major and courses for a minor with electives comprising the remaining 120 hours. Many programs will combine a major and a minor which is referred to as an area. In the example presented for the B.A. in History, currently 46 to 49 undergraduate hours are required. The curriculum for every program will be reduced by at least two hours due to the change in English requirements from six hours to four. Most majors fall in the 35 to 36 hour range, a minor typically requires 21 hours and the remaining 24 to 26 hours are electives. The History program can be reduced to 120 hours simply by reducing the number of electives students are required to take. This does not impact the University Studies component, History major or the minor. It only means elective hours between three and six will be reduced. Dr. Brockway anticipates as these programs are added to the new catalog most will be reduced to 120 hours although a few may not be able to do so. The program with the highest number of degree hours is Physics with Secondary Teacher Certification and 142 hours are required for that degree, including 48 hours for University Studies (which will be
reduced by two hours), 32 hours in required physics courses, secondary certification for 32 hours and a required minor of 21 hours (plus six co-required hours for the major and three required limited electives). Most teacher certifications have now combined these two and instead of a major it is listed as an area. With an area students are not required to take a minor and this has been particularly successful in the Department of Mathematics and Statistics with students being fully certified to teach math in high school after completing 120 hours for their degree. Dr. Brockway indicated the Physics Program can proceed in a similar fashion which could help increase the number of Physics teachers in Kentucky and universities have not been producing a sufficient number of Physics teachers in the last ten years.

Ms. Hays asked for clarification on the process involved in changing the number of required degree hours and it is her understanding this is a very long process. Dr. Brockway indicated these changes are currently being made and for programs such as History and Physics the change can be made immediately. A recommendation is advanced to a curriculum committee, the Academic Council, and with approval from the Provost’s Office the program changes can then be included in the new catalog. Mrs. Buchanan asked if these changes must be approved by the CPE and Dr. Brockway indicated they do not require CPE approval. The 120 hour degree requirement meets all criteria for Southern Association of Colleges and Schools (SACS) accreditation and CPE degree requirements. The difference in a few programs, such as Music which has made a compelling case, is oftentimes with certification and accreditation requirements more than 120 hours are needed to complete such programs. Some states mandate requirements for a degree program be set at 120 hours and any program above that must be considered for an exception. Murray State is requesting programs voluntarily make this change and most have been able to adjust to the 120 hour requirement. Dr. Manchikanti stated when these changes are made the $1.7 million in expected revenue could decrease which should be taken into consideration.

Chair Stout believes a Murray State degree is even more valuable today because the University has been rising in stature. From an academic standpoint he asked if the value of the degree diminishes if programs are reduced to 120 hours. Dr. Brockway indicated the value of the degree does not diminish and the University has prided itself on receiving not only accreditation from SACS but accreditation for professional programs and not all universities are able to achieve this. This includes business, engineering, nursing, music, occupational safety and health and animal health technology, which are all nationally-accredited programs. The University will be able to maintain quality with the 120 hour degree requirement with very few exceptions. Even nursing, which is one of the most rigorous programs in terms of accreditation requirements, will reduce degree requirements to 123 hours this fall.

Chair Stout thanked members of the Task Force for their work and asked if they had comments to add. Mr. Watkins addressed the Murray State students present and indicated his son attends MSU and while he did not initially agree with the tuition recommendation, after careful review and an understanding of how the conclusions of the Task Force were reached, he now understands the uncapping proposal. Mr. Hornback added the Task Force considered one part of the tuition issue and did the best it could with the information reviewed. A priority for all was to maintain the affordability of a Murray State education now and in the future to allow students to continue to grow and prosper. Dr. White stated logic behind the recommendation to uncap hours at 15 was based on the theory that 15 hours over eight semesters would yield 120 credit hours which is the requirement to complete most degree programs at MSU. Students required to take more hours to complete their program of choice are earning a degree which has the added benefits of a teaching certificate or double major. There are also students working toward the Honors Diploma and while these students may not like paying more for a degree, such high value programs cost the University money and are returning excess value in recognized certifications and minors. There is some logic in putting additional financial responsibility on those programs because there is extra value associated with them. Spreading the cost more evenly throughout the University for hours 13, 14 and 15 has some appeal but it also makes it more expensive for those students barely able to afford college. In some respect uncapping at 15 hours places the cost of that education on those students who will gain more than the average amount of benefit from other degree programs but spreading the cost out among all students could also be considered. A large portion of support for education at this University comes back to the students in various financial refunds which puts the cost on those most able to afford it and allows all students to obtain a degree for 120 hours. The most expensive decision a student can
make is to remain at MSU for an additional semester. Chair Stout indicated he is pleased the Task Force spent a great deal of time reviewing uncapping hours at 12 as opposed to uncapping hours at 15.

*Tuition Task Force Report, accepted*

Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, accept the attached report of the *Tuition Task Force*. Ms. Hays seconded and the motion carried unanimously.

(See Attachment #2)

Judge Taylor expressed appreciation to all Task Force members who volunteered a great deal of time and devoted their talents to this process.

The Board adjourned for a short break beginning at 2:37 p.m. and ending at 2:50 p.m.

*2009-10 Tuition and Mandatory Fees, discussed*

Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, approve a 4 percent tuition and mandatory fee increase for the 2009-10 academic year as per the attached schedule. In addition, for all hours taken in excess of 15 undergraduate or 12 graduate hours per semester, full-time students would be charged 100 percent of the standard hourly rate for tuition and mandatory fees for each hour taken based on their respective category of residence. Mr. Adams seconded and discussion followed.

Dr. Dunn reported the Board has been provided with a copy of the PowerPoint presentation from the tuition forums held on campus, a transcript of the questions and answers raised at those forums which expounds on the issues as seen through those in attendance, a paper by Professor David Eaton titled, “Impact of Tuition Upon Enrollment,” (requested by Dr. Dunn in lieu of conducting a major and expensive econometric study) and the 4 percent fee chart referenced in the motion. The supplemental packets included three additional pieces of information, including tuition and fees per credit hour for Kentucky public institutions (as a result of a Regent request); a chart referenced earlier with a comparison of tuition structures if the University uncapped at 12, 15 or 16 hours at various levels of charge and showing net tuition that results; and emails and phone calls received in the President’s Office regarding the tuition proposal. Dr. Dunn reminded all of the need for an additional revenue source at the University and this information was provided in the tuition presentation. The University begins the year $2.6 million down given essential factors which must be addressed, including a state appropriation reduction, known increases in fixed costs and selected priority budget items of $1.2 million. The purpose of providing priority budget items is to illustrate the need for a continuing revenue stream for next year. If net revenue is not sufficient to cover the $2.6 million deficit, the University will be forced to reallocate or cut as part of the budget process to ensure essential factors are covered. Priority items totaling $1.2 million (which would be beneficial to the University) have been highlighted and were selected from over $3 million in initial requests. Dr. Manchikanti questioned with regard to the nurse anesthetist program whether the University provides $25,000 to Trover Clinic and Dr. Dunn explained the University has an arrangement with the clinic to support the nurse anesthetist program and considering what it costs to hire these individuals the University is reviewing whether to increase the level of support provided to Trover so staffing remains at the level needed for accreditation. Dr. Manchikanti stated Trover generates money on these students and Dr. Dunn agreed but reported the University is not covering the full cost for students to participate in the program.

Dr. Morgan appreciates Judge Taylor’s leadership and the work of the *Tuition Task Force* and thinks they did a good job researching all aspects of the issue and opening up a new concept for the Board to consider. It has been brought to his attention by Music faculty that this tuition model may affect the standing of musical ensembles (Marching Band, Wind Ensemble, Concert Choir, etc.). Individuals participating in ensembles provide service to more than just the academic areas and perform at Commencement and other functions held on campus. Students take these courses above the threshold and this proposal may have an adverse affect on this aspect of campus life.
**Exemption Amendment, discussed**

Dr. Morgan moved that the Board of Regents amend the current motion by inserting language which provides an exemption for Freshman Orientation and musical ensemble programs (in all majors) from the per credit hour fee for any hours taken above 15. Mr. Adams seconded and discussion followed.

Dr. Morgan stated what compels him to make this amendment on behalf of students and faculty is that Western Kentucky University is planning to proceed in the same manner in support of their musical ensembles. If MSU does not act accordingly, the University’s musical programs and students who participate in those programs will be placed at a competitive disadvantage with WKU.

Mrs. Buchanon feels the two recommendations contained in the motion are varied and one relates to a standard tuition increase and the other relates to a per credit hour charge and requested they be addressed separately. Chair Stout indicated the recommendations can be discussed separately when the Board discusses the motion but at this time discussion is limited to the amendment to add the exemptions. Chair Stout stated he has a motion and a second regarding the amendment to the original motion to insert an exception for Freshmen Orientation and musical ensemble programs. Judge Taylor asked how many students will be affected and Dr. Wurgler reported approximately 200 students would be affected in the spring semester and with the Marching Band in the fall that number increases to 300. Mrs. Buchanon hates to see the Board add musical programs as an exception because there might be others equally affected. Dr. Dunn agreed and cited as an example the First Year Leader Program where students are required to take a two-hour course and there are other examples representing a wide array of one to two-hour courses where the same argument could be made. Mrs. Travis asked whether this amendment also includes non-music majors who participate in music ensembles and Dr. Morgan indicated it does. Ms. Hays asked if the amendment includes the Honors Program, and if it does not, how to proceed with including other groups that should be excluded from the requirement. Dr. Dunn reported the Board would need to handle additional exceptions individually. Chair Stout stated discussion is limited to the amendment currently on the floor. Judge Taylor asked with regard to the 200 students mentioned earlier whether all are taking over 15 hours and Dr. Wurgler reported that to be the case. Mrs. Winchester stated she is extremely sensitive to Dr. Morgan’s concern and is particularly concerned about areas which foster excellence at the University but also has a strong desire to be supportive of students at all levels and if the Board exempts only these two groups her fear is some deserving areas will be excluded. Mrs. Buchanon is supportive of the Music Program but is worried about how this amendment affects groups not included. Ms. Hays asked how the Board accomplishes separating the motion into two recommendations and Chair Stout stated the Board would need to defeat this amendment and when discussion continues regarding the entire motion he would then entertain a motion to split the two recommendations. The Board is currently voting on the amendment to insert language exempting Freshman Orientation and musical ensemble programs in all majors from the per credit hour fee for any hours taken above 15.

**Exemption Amendment, defeated**

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, no (but prefaced her vote has nothing to do with music specifically and she believes all students must be treated fairly); Mrs. Ford, no; Ms. Hays, no (with the stipulation the Board will revisit the original motion and separate the 4 percent tuition increase and the uncapping of hours into two separate recommendations); Dr. Manchikanti, no; Ms. Mantooth, no; Dr. Morgan, yes; Judge Taylor, no; Mrs. Travis, yes; Mrs. Winchester, no; and Chair Stout, no. The amendment was defeated by a vote of 8 to 3.

**4 Percent Tuition and Mandatory Fee Increase/Uncap Hours at 15 hours/ Charge 100 Percent of Regular Tuition Rate, discussed**

Chair Stout reported the exemption amendment was defeated and the motion on the floor is the Board of Regents, upon the recommendation of the President of the University, approve a 4 percent tuition and mandatory fee increase for the 2009-10 academic year as per the attached
In addition, for all hours taken in excess of 15 undergraduate or 12 graduate hours per semester, full-time students would be charged 100 percent of the standard hourly rate for tuition and mandatory fees for each hour taken based on their respective category of residence. Discussion followed.

Mrs. Travis asked with regard to the Honors Program whether those students as a rule are in a more favorable position financially because they are often Presidential Scholars or at least high level scholarship recipients and typically receive Rotary and Wal-Mart scholarships. As was reported earlier, Presidential Scholars are required to be members of the Honors Program but this is not necessarily required for Carr Scholars. A new tuition system has recently been instituted where awards are based on grade point average (GPA) and ACT scores. The Honors Program requires a 26 ACT but it cannot be said with certainty students with those credentials will be entitled to a certain amount of money. Dr. Dunn indicated another approach to address this issue would be to cover the cost through scholarships. The tuition forum presentation includes information which indicates the University will attempt to put money into the Honors Program next year as a priority budget item. Instead of trying to identify all possible exemptions it might be beneficial to approach the issue from this perspective and use revenue driven by this tuition model to determine how to target scholarship money so it is put to the best use for students who go over the base level of hours by virtue of being an honors student or participating in a performance ensemble. Mrs. Travis added exempting every group would defeat the purpose of the recommendation and requested additional information on Honors Program students and scholarships they receive. Dr. Brockway reported Honors Program students have an array of scholarship opportunities available to them as a result of their GPAs, ACT scores and leadership experience. The Presidential Scholar Program does not require more than 120 hours and it is at the discretion of the student how many hours they take. Many honors students often want to double major and participate in opportunities beyond a 120 hour program but students could complete an Honors Diploma within a major by taking honors courses within 120 hours and will still receive scholarship opportunity money. Presidential Scholars are members of the Honors Program, as are Carr Scholars, and receive a lot of scholarship dollars. Dr. Robertson stated there are ten Presidential Scholars per year (full ride scholarships). Other students in the Honors Program run the gamut and could receive $7,000 or $8,000 per year or $1,500 to $2,000 per year, depending on their ACT, GPA and major, and some departments have more scholarship dollars than others. Honors Program students would be as affected by this change in tuition policy as much as any other MSU student, although they are generally high scholars which provides an opportunity for additional scholarship assistance. Mr. Denton added a 40 percent factor for scholarships is built into the tuition model and it has been anticipated additional scholarship money will be needed to assist with the increase in tuition due to uncapping of hours and built into this model is an average of $1,100,000 for scholarships.

Amendment to Tuition Motion, approved

Chair Stout indicated the motion on the floor is that the Board of Regents, upon the recommendation of the President of the University, approve a 4 percent tuition and mandatory fee increase for the 2009-10 academic year as per the attached schedule. In addition, for all hours taken in excess of 15 undergraduate or 12 graduate hours per semester, full-time students would be charged 100 percent of the standard hourly rate for tuition and mandatory fees for each hour taken based on their respective category of residence.

Mrs. Buchanon moved that the Board of Regents amend the motion to delete the language “in addition, for all hours taken in excess of 15 undergraduate and 12 graduate hours per semester, full-time students would be charged 100 percent of the standard hourly rate of tuition and mandatory fees for each hour taken based upon their respective category of residence.” Dr. Manchikanti seconded. Chair Stout clarified if Board members vote “yes” they are agreeing to delete this language and approve the amended motion to approve a 4 percent tuition increase.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, no; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, no. The amendment carried by a vote of 9 to 2.

4 Percent Tuition and Mandatory Fee Increase, approved
Chair Stout stated the amendment passed and the motion which remains is that the Board of Regents, upon the recommendation of the President of the University, approve a 4 percent tuition and mandatory fee increase for the 2009-10 academic year per the attached schedule.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanan, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; Chair Stout, yes. Motion carried unanimously.

(See Attachment #3)

Uncap Tuition at 15 Hours/Charge 100 Percent of Standard Hourly Tuition Rate, discussed

Judge Taylor moved that the Board of Regents approve the motion that for all hours taken in excess of 15 undergraduate or 12 graduate hours per semester, full-time students be charged 100 percent of the standard hourly rate of tuition and mandatory fees for each hour taken based upon their respective category of residence. Mr. Adams seconded and discussion followed.

Mrs. Buchanan asked how many students are currently taking over 15 hours per semester and Dr. Dunn reported there are 1,877 students in this category. Mrs. Buchanan stated this is roughly one-third of the students on campus and Dr. Dunn indicated the figure would be closer to 20 percent. Mrs. Buchanan hates to see the University move toward a per credit hour tuition basis, especially as it is presented at 100 percent, and net tuition now is roughly $43 million and using the per credit hour model would bring in an additional $1.7 million which in essence means rather than increasing tuition 4 percent it is being increased by 8 percent. She asked how many students are taking 18 hours and Ms. Mantooth indicated this affects 342 students. Mrs. Buchanan stated with the per credit hour charge tuition is increasing for these students by 28.9 percent. By adopting this model the University would be penalizing the brightest and most aggressive students and establishing a two-tier pricing system that penalizes students in music, accounting, nursing and the sciences as well as those in the teaching field. This will also continue to give a pricing advantage to the community colleges which are a great threat to Murray State University. She understands the need to increase revenue and balance the budget and appreciates the work of the Tuition Task Force. In order to balance a budget more than just revenue items must be reviewed and cutting costs must be considered. The President is responsible for proposing a balanced budget with great thought, study and wisdom, and she hates for the Board to focus only on the revenue aspect. Discussion must also occur regarding expenditures and perhaps a task force needs to be formed for that purpose. A better alternative would be for the President to undertake this work which would lead the Board into proposing a solution to the issue and this is exactly what President Ransdell has undertaken at Western. WKU is also considering opting out of the 2020 program. The Board is faced with some hard decisions and during hard times tough decisions must be made which should motivate the Board and the University to do everything possible to eliminate waste. She has not heard much discussion about this aspect and knows utilities and fuel rates are going up but this issue needs to be reviewed and should include travel budgets and other expenses. The University continues to hire new employees but could instead conduct cross training for current employees. The University has access to some of the best minds as far as finance, technology and engineering and those minds should come together to determine a way to offer the best possible product at the lowest possible price. There is a statement in higher education that money follows students. Murray State does not need to become less attractive to incoming students and does not want current students to transfer if they are unable to pay this tuition increase. With a rapidly dropping student population on campus, every opportunity to make the University more attractive must be maximized and today cost plays a major role. If every person who has attended MSU encourages one student to also attend that would be ideal. These are the issues Mrs. Buchanan has with the proposed per credit hour model, particularly regarding uncapping hours at 15 and charging 100 percent of the regular tuition rate for additional hours.

Judge Taylor reported one goal of the Tuition Task Force was to start dialogue with the Board. With regard to Mrs. Buchanan’s statement about providing the best quality education at the lowest price, he believes Murray State is already at this point and provides the best quality education in the Commonwealth at almost the lowest price, with only one Kentucky institution charging less. The Task Force identified cost maintenance and review as an ongoing issue and
an administrative function but the administration has indicated it is reviewing cost containment. Cuts to the budget of approximately $2 million were made last year and even more cuts could be made but surveys have indicated students do not want degree programs cut, nor do they want to see layoffs or a decrease in core services. If alternatives to raise revenue are not developed, the Board will be faced with the situation of making cuts, laying employees off and cutting salaries in order to balance the budget.

Judge Taylor stated Western charges $3,500 a semester which is $1,000 more than MSU’s tuition. WKU is not growing on the main campus and their growth, as outlined in conversations with Dr. Ransdell, will come from the extended campuses. This is the situation MSU is faced with due to demographics, although this part of the state is more stable than others with regard to the number of available high school graduates. The University has more competitors and must consider alternatives. If the Board defeats this recommendation, the University is back to square one because there are only so many light bulbs that can be turned off and 75 percent of overhead costs are for personnel. The situation will get to the point where there will be an even more direct effect on students than what is currently being proposed. If the Board is unwilling to approve uncapping hours at 15 and charging at 100 percent, perhaps it should consider uncapping hours at 12 and charging at a discounted rate for any hours above that. If some alternatives are not developed by the Board, the administration will be forced to propose a budget that contains cuts.

Dr. Manchikanti asked with regard to essential cost increase factors whether something could be eliminated and specifically questioned the $598,000 increase in health insurance costs. Dr. Dunn stated these numbers are provided by actuaries to indicate to the University what it must have in order to cover insurance program costs. Dr. Manchikanti asked if further research should be conducted in this area and Dr. Dunn reported a University standing committee (Insurance and Benefits Committee) is tasked with taking on this work. Dr. Manchikanti inquired how much health insurance has increased over last year and Mr. Denton reported the amount is very similar. Dr. Dunn stated the University must consider those issues contributing to the essential tuition increase. The compensation increase for low-wage staff enhancement could be reviewed although he hesitates to take the issue off the essential cost factor list. With regard to the selected priority budget items listing for 2009-10, Dr. Manchikanti indicated he does not understand enough about new scholarships (transfer and tiered) in the amount of $560,000 and also the Trover Clinic partnership for the Nurse Anesthetist Program of $25,000 where it appears the University provides funding but the clinic makes money from students participating in the program. Dr. Dunn stated none of the items on the selected priority budget listing have to be undertaken but the list was provided as an illustration that there are other needs at the University which have additional costs. If the University does not have additional revenue but it is determined some of the priority budget items need to be completed, then the University will be forced to reallocate. The priority budget list was provided to illustrate what he views as an important need for revenue. If none of these projects are undertaken it will not affect University programs. If the administration only has $1.7 million in revenue from a 4 percent increase in tuition to work with, cuts and reallocations will be made accordingly and will be reflected in the proposed budget to be considered by the Board at its quarterly meeting on May 29.

Chair Stout was unable to attend the public forums this year but did attend last year and discusses these issues with students often. Students constantly indicate they do not want to sacrifice the quality of a Murray State education and it is inevitable cuts would have to be implemented if the Board does not pass the second part of this recommendation. These cuts would affect personnel, the quality of education and programmatic issues and he urged the Board to consider passing the motion to allow the University to keep moving forward.

Ms. Hays asked if the Board passes this recommendation and this time next year there is virtually no one participating in musical ensembles, leadership numbers have decreased and students are taking less electives because they have to pay for hours over 15, what the Board would do then. Chair Stout indicated the Board would deal with those issues at that point. Mrs. Buchanon cautioned once a policy is enacted it is hard to get rid of. Dr. Dunn agrees but if suppressed state support is assumed over the next one to three years, and a way to increase the revenue stream is not identified, the Board will be considering this issue again next year. It is up to the Board whether to enact this tuition model, based upon the recommendation of the Tuition Task Force, but baring significant cuts the University must determine how to produce an
increased revenue stream, especially if tuition increases continue to be limited. The proposed model would provide some flexibility with revenue to encourage growth at Murray State without pricing the University out of the market or being disrespectful to families with students attending MSU. If this recommendation is taken off the table he wonders where the University will turn next, especially if the CPE limits tuition increases again next year.

Ms. Mantooth served as a member of the Task Force and after the tuition recommendations were released a lot of discussion took place at the public forums about uncapping after 15 hours. The students understand the University’s need for revenue but feel there could be a better way to obtain revenue, perhaps by uncapping at 12 hours. From the student standpoint, they would rather uncap at 12 hours and spread the cost among all students but also charge per hour at an equal incline. The main problem students have with the current proposal is when a student takes 16 hours they are not just paying $60 more but are paying almost $250 more. The cost for taking an additional three-hour class is high and a relatively small percentage of students will be paying for the additional $1.7 million in revenue the University is trying to generate. Ms. Mantooth explained to students if this model does not pass then the University will be forced to cut services and the students offered ideas they are more comfortable with. In response to a question from Judge Taylor, Ms. Mantooth clarified she is proposing uncapping hours at 12 and charging for each hour above 12 at a reduced percentage but with no exemptions at this time (although this could be reviewed in more detail). Mrs. Winchester inquired whether making this change would allow the institution to generate the needed revenue. Mr. Denton reported the Board was provided with a handout which illustrates uncapping at 15 hours and charging 100 percent of the regular tuition rate generates about the same amount of revenue as uncapping at 12 hours and charging 25 percent of the regular tuition rate. Dr. Manchikanti indicated he supports the proposal but wondered if a graduated percentage increase after 15 hours might also be an option. Mrs. Ford can support charging for hours above 12 but at a reduced rate such as 25 or 50 percent. She cannot vote for charging 100 percent because it is too much too soon and a gradual increase would be much better. Dr. Dunn indicated what is being presented are simply different models which could be adopted.

Mrs. Travis is not sure where further cuts could be made, especially considering faculty and staff did not receive raises last year, $2 million has already been cut from the budget and faculty members are concerned about slowly losing quality. Mrs. Buchanon indicated she should review the travel budget for the University and the amount of funding involved. Everyone has had to make adjustments and the University should as well. Mrs. Travis reported on a recent trip to California administrators brought back $25,000 which more than covers the cost of the trip. Mrs. Buchanon stated she is talking about when one goes to the mall in Paducah and sees a Murray State car, and perhaps that is warranted, or when one makes a trip to Frankfort and passes three or four MSU cars with only one person in them – those are the type of travel expenses which should be reviewed.

Amendment to Uncap Tuition at 12 Hours/Charge 25 Percent of the Standard Hourly Tuition Rate, discussed

Ms. Hays moved that the Board of Regents amend the current motion so for all hours taken in excess of 12 undergraduate or 9 graduate hours per semester, full-time students be charged 25 percent of the standard hourly rate for tuition and mandatory fees for each hour taken based upon their respective category of residence. Dr. Manchikanti seconded and discussion followed.

Chair Stout stated this recommendation is preferred by those who spoke during the public participation portion of the meeting and is also what Ms. Mantooth, as President of the Student Government Association, is advancing on behalf of the students. Ms. Hays indicated she made this motion based on the comments of individuals during the public participation section of the meeting and it is a more equitable means of implementing this tuition structure. Dr. Morgan asked Judge Taylor, as Chair of the Tuition Task Force, whether they reviewed this recommendation as an option. Judge Taylor indicated the Task Force reviewed this scenario and much discussion occurred around the issue. The concern of the Task Force centered more on the quality standpoint and it is customary to graduate from a program with 120 hours (15 hours over eight semesters). From an equity standpoint and looking at revenue that would be generated, if students take 15 hours each semester they would be able to graduate in four years and obtain a degree at the base tuition amount. If the Board prefers to spread the cost among all students,
while that differs from the recommendation of the Task Force, it is an acceptable alternative to increase revenue.

Mrs. Buchanon asked if it is known without a doubt the CPE will approve the Board’s recommendation with regard to tuition and to her this proposal invades the idea behind the 4 percent cap on tuition. Dr. Dunn stated this recommendation will be presented as part of the University’s tuition proposal and it is anticipated the CPE will approve the recommendation, based on discussion with CPE staff throughout the process. The CPE has been kept informed of the University’s thinking and was also provided with a copy of the Task Force proposal. As other items have surfaced, Mr. Denton consulted with CPE staff. The signals received from those discussions, the fact the University is not breaking new ground and because the CPE has not raised any issue with other schools that have done the same thing, it is not anticipated there will be an issue with the CPE. He and Mr. Denton feel even more comfortable with uncapping hours at 12 and charging 25 percent of the regular tuition rate, again, because there is a history of other institutions doing the same thing. No other institution has proposed uncapping hours at 15 and charging 100 percent of the regular tuition rate. Morehead State University uncaps at 12 hours but at 30 percent, Northern Kentucky uncaps above 16 hours and Western uncaps at 15 hours and charges $30 for every hour above that.

Mr. Adams stated with regard to fairness to students, he believes it was the attitude of the Tuition Task Force that it would be fair to give students 120 hours for a set tuition amount but that seems unfair to those students who take 16 to 17 hours. By charging 25 percent of the regular tuition rate above 12, when a student reaches 16 hours they will be paying the same amount. It will cost students the same amount of money at 16 hours whether hours are uncapped at 15 and 100 percent is charged or whether hours are uncapped and 12 and 25 percent is charged. The only difference is with uncapping at 12 hours the increase when a student takes 17 hours is a bit less expensive. If those paying the bill agree this is fair then he will not argue with that logic. Ms. Mantooth indicated there are students who take 16 hours (with a lab) but most students go from 15 hours straight to 18 hours which is where the largest jump in price occurs. She specifically asked the members of the Student Senate how many were taking 15 hours or less how they felt about the proposal. Those students agreed that uncapping at 12 hours was more equitable and provided a better option for students.

Amendment to Uncap at 12 Hours/Charge 25 Percent of the Standard Hourly Tuition Rate, approved

Chair Stout indicated there is a motion and a second to amend the motion so that for all hours taken in excess of 12 undergraduate or 9 graduate hours per semester, full-time students will be charged 25 percent of the standard hourly rate for tuition and mandatory fees for each hour taken based upon their respective category of residence.

Ms. Mantooth clarified the Board is voting on tuition today to determine how much revenue can be generated and at the Board meeting in May it will be determined how revenue is allocated. Dr. Dunn stated the revenue picture will be finalized so the budget can be prepared. Depending on Board action, the budget will be completed over the next month and will take into account factors discussed today. If the Board does not exempt the Honors Program, music ensembles, etc. the administration will look internally to determine if scholarships for those groups would be appropriate and how to fund these scholarships will be discussed.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, no; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried by a vote of 10 to 1.

Motion to Uncap at 12 Hours/Charge 25 Percent of the Standard Hourly Tuition Rate, approved

Chair Stout indicated the amendment passed and the motion now reads that for all hours taken in excess of 12 undergraduate or 9 graduate hours per semester, full-time students will be charged 25 percent of the standard hourly rate of tuition and mandatory fees for each hour taken based upon their respective category of residence.
Mrs. Travis indicated if parents are told a certain amount would cover their child’s education to complete 120 hours but are then told hours will be uncapped at 12 with 25 percent being charged, they would feel the process has become very complicated. Parents simply want to know the bottom line. Chair Stout indicated this is one of the reasons the Tuition Task Force made the recommendation it did. Mrs. Buchanon agreed the two-tiered tuition model makes the issue more confusing. Ms. Hays stated after putting one child through Western this tuition increase will feel the same as it did when WKU instituted a tuition increase mid-semester. What WKU did made her mad but she wrote the check so her child could finish college. Dr. Dunn assured all that at least in this situation there will be informed consent. Ms. Mantooth added Murray State is not the only university in the state proceeding in this manner and this represents somewhat of a trend in higher education and parents will be able to recognize that.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, no; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried by a vote of 10 to 1.

The Board adjourned for a break beginning at 4:03 p.m. and ending at 4:15 p.m.

Agriculture Task Force Report, accepted

Chair Stout called the meeting back to order at 4:15 p.m. and indicated the Agriculture Task Force report would be considered.

Ms. Hays moved that the Board of Regents, upon the recommendation of the President of the University, accept the attached report of the Agriculture Task Force. Mrs. Winchester seconded and the motion carried unanimously.

(See Attachment # 4)

Agriculture Task Force Recommendations, discussed

Ms. Hays thanked members of the Task Force for their work and dedication to the process. Dr. Morgan gave a PowerPoint presentation with the following highlights:

• School of Agriculture (SOA) enrollment history has shown as enrollment grows the SOA leads in the recruitment effort at MSU.
• The Task Force reviewed farms, facilities and programs and arrived at a number of recommendations to be proposed later.
• SOA revenue from operations over the past 12 years is in excess of $16 million. SOA is an academic and operational enterprise and has not relied solely on University funding but has sought out external funding and SOA faculty and administrators have been very successful in this endeavor.
• Going back to the work of the first Task Force formed in 2005 it was determined there are 50 plus neighbors surrounding existing farms and satellite imagery of the City of Murray was provided, indicating where current farms are located.
• In the 1920s and 1930s MSU farm development began and was undertaken with a great deal of vision that has served the University well over the years. All farms were put together by developing smaller tracts of land. The Pullen Farm was donated to the MSU Foundation by Mabel and Stanley Pullen and is located south of town. The West Farm has 279 acres (small tracts acquired at extremely desirable prices) for a total cost of $46,000, which would have a land only value of $5.4 to $7.4 million today (excluding buildings and other developments). The North Farm has 75 acres, is located two miles north of town and was purchased in 1962 for a total cost of $18,000. This farm is becoming surrounded by developments with a golf course to the north and development of housing complexes to the south. Urban sprawl is becoming a major issue.

Dr. Morgan indicated the Agriculture Task Force recommends the following:
1) Implement an “AGR Student Farm and Facilities Fee” of $3 per FTE generated credit hour to assist in funding an additional farm laboratory to begin July 1, 2009. This fee would be modeled after the Wellness Center fee and would apply to agriculture courses only. The AGR Student Leadership Council unanimously recommended adoption of this fee to support farms and facilities.

2) Complete the unfinished portion of the A. Carman Animal Health Technology (AHT) Rear Laboratory utilizing CERR funds or University General Funds of $256,000 and SOA Improvement Matching Funds of $100,000.

3) The University proceed with building a new or remodeled Equine Housing Facility on the West Farm to parallel the amount of funds made available from the State Equine Trust Fund specifically to the School of Agriculture for expressed purposes. Approval of this recommendation would allow the School of Agriculture to construct a facility utilizing current funding that is on hand.

4) Allow the Task Force to work with Mr. Tom Denton for the sale or trade of the two parcels of property attached and adjacent to the West Farm totaling (13.89 and 15.46 acres respectively) to be used as capitalizing assets for the acquisition of additional farmland laboratory acreage for the School of Agriculture. That Mr. Denton begin the process of working with the State Finance Cabinet and appropriate authorities for said process. These two properties would be sold or traded and any proceeds would be used to begin building a new farm infrastructure five to six miles further out in the country (away from residential subdivisions and other developments). Funding for infrastructure needs would come from the AGR student farm and facility fee. Dr. Morgan provided an overview of the two parcels of land being discussed and stated the Task Force felt these two properties should be the primary sale or trade instruments in this process, along with consideration of the North Farm if necessary.

5) That the University pursue the purchase of an additional farm laboratory via an internal loan capitalizing on the sale/trade of current property and other revenues. To create a Task Force committee to identify said property, work with the State of Kentucky Finance Cabinet and master planners, and that this committee report back to the full Board of Regents by Fall 2009 with a proposal identifying specific property(s) and a repayment plan. A subcommittee of the Task Force would identify suitable land based on topography, soil structure, needs, safety, access and viability for the program and make a recommendation to a group or subcommittee of the Task Force (including Regents) and ultimately bring a proposal before the full Board within six to twelve months.

6) That the A. Carman Pavilion and the acquisition of a Farm Laboratory continue as a priority on MSU’s State of Kentucky Legislative Capital Project Request List, at or above their current ranking until completion. The AGR Task Force felt these two items should not be taken off the project request list until they are completed.

7) That the Breathitt Veterinary Center continue as a top priority on MSU’s State of Kentucky Legislative Capital Project Request List, at or above its current ranking and as recommended by the BVC Advisory Board.

Ms. Hays moved that the Board of Regents accept the recommendations of the Agriculture Task Force as underlined above. Mrs. Buchanon seconded and discussion continued.

Chair Stout stated there is a motion and a second that the Board of Regents accept the recommendations of the Agriculture Task Force. Dr. Dunn clarified the BOR has already accepted the report of the Task Force in the motion prior to the presentation and asked if this motion would be to put into effect the seven recommendations outlined by Dr. Morgan and Ms. Hays clarified this to be the case. The Task Force is concerned the A. Carman Animal Health Technology facility has not been completed and this was cited as an issue during the recent program accreditation visit. It also marks the second time the program has gone through the accreditation process and the facility remains uncompleted even though it has been a primary recommendation of the accreditation team during both visits. University officials have been advised by the next accreditation visit the facility must be completed because it has been ten years since the project was first cited as a need for the AHT program.

Chair Stout asked with regard to completion of the A. Carman AHT Rear Lab, utilizing CERR funds or General University Funds of $256,000, whether CERR funds are available for that purpose. Mr. Denton indicated the University is at capacity with regard to CERR funds and currently those funds are obligated for renovations and improvements for at least the next year.
If the Board determines the administration should move forward with this initiative then $256,000 in E&G funds would need to be budgeted for this purpose. Chair Stout clarified when talking about utilizing CERR or general University funds what is really being considered is utilizing general funds and Dr. Dunn indicated that is the case if starting the project immediately is what is being proposed. Mrs. Winchester asked if any funds are generated from the AHT facility to help cover the cost for completion of the AHT Rear Laboratory and Dr. Brannon indicated no funds are generated from the facility.

Chair Stout stated implementing the AGR Student Farm and Facility Fee, building a new or remodeled Equine Facility on the West Farm with State Equine Trust Funds, continuing with the Pavilion Laboratory and BVC on the Capital Projects List could be implemented relatively easily. Realistically it will take years for the University to have all legislative priorities funded. The Science Complex is still #1 on the Legislative Priority List and he is concerned about committing future boards to these projects. The current priority listing is in effect through 2010 and Dr. Dunn reported the University is reworking the Six-Year Capital Plan and will submit a revised listing for review over the summer. It is anticipated this will be presented to the Board for final action at the September 2009 quarterly meeting, before it is submitted to the state in October.

Chair Stout asked Dr. Dunn and Mr. Denton to address the recommendation to sell or trade the two parcels of property identified and pursue the purchase of an additional farm. Dr. Dunn stated the Board must be very clear on the motion with regard to these recommendations and suggested using the terminology “advisory role” or something of that nature because the Board cannot be in a position where it is delegating authority for this responsibility to the Task Force so that this group is able to dictate which property the University pursues. If the Board wants to move forward with plans outlined in these recommendations, his suggestion would be they direct the President to do so, in conjunction with Mr. Denton, and have a Task Force subcommittee serve in an advisory capacity.

Mr. Rall indicated in 1998 the provisions of House Bill 622 were adopted which enabled the Board to buy property and perform all other higher education financial responsibilities. Among the administrative regulations promulgated, and now published as part of Kentucky law, one provision specifically delegated to the President the authority to conduct certain financial responsibilities, including the buying and selling of property. The President also has authority to delegate these responsibilities to the Vice President for Finance and Administrative Services and routinely these officials are involved in the buying and selling of property. He cautioned the Board to be very careful about the role of the Task Force in this process and believes it should only serve in an advisory capacity.

Dr. Dunn cautioned the Board about establishing the process of selling properties and holding any proceeds from the sale of those properties in abeyance for future use. As an entity of the state, when the University sells property any proceeds become state money and there would need to be an agreement or understanding that any such proceeds would be re-appropriated to the University for the purpose of purchasing a farm. He is concerned about a trade or a swap arrangement. This possibility was reviewed at Dr. Morgan’s request approximately one year ago and discussion and study took place with the Finance Cabinet and while this sort of arrangement looks to be very difficult, it is not impossible or prohibitive. Given issues with the Science Complex all are nervous about approaching the Finance Cabinet with such a proposition. Beyond the legal question is a substantive operational issue about how such an arrangement could be accomplished. Mr. Denton reported the possibility of such an arrangement had been examined before and discussion occurred with different state officials. There were some difficulties because the property had been purchased years ago and it could not be proven it was purchased with University funds. The individuals at the state level indicated at that time if the property was sold any proceeds would go to the state. University officials inquired further about a possible trade and state officials indicated there may be a way to accomplish this but the process necessary for such a transaction has not yet been established. They would work with MSU to bring this to fruition but it would not be accomplished overnight. Dr. Dunn added “chips” would be used in the process of determining how to make this arrangement work.

With regard to the Carman Pavilion and acquisition of farm laboratory land, the Pavilion is on the Capital Requests List but is not ranked. The farm laboratory was in the 2008 plan (#10 on
MSU’s request list) and the BVC ranked 4th on the list. The University is attempting to push the BVC project to federal consideration because there has been continued interest (two earmarks for equipment for BVC) and some success could come from making a capital request federally. If the BVC received funding for renovation as opposed to a new lab, the question then becomes whether the University wants to proceed in making those renovations which is a policy issue for the Board to decide. Mrs. Buchanan asked if a project is on the Capital List and does not get funded during a particular budget cycle whether the project remains on the list. Mr. Denton indicated projects are reviewed each biennium and the rankings change if necessary and Dr. Dunn stated priorities change and revisions to the Six-year Capital Plan are made every two years. The Board reviews the priorities every two years to revisit various projects and their respective rankings. Ms. Hays added the Task Force believed these projects should not be removed from the list until they are accomplished or in process.

Judge Taylor asked if the two tracts of property are sold whether the proceeds will go to the state. Mr. Rall stated this depends on the source of funds used when the property was purchased and Dr. Dunn reported the burden of proof is on MSU to show University funds were used for the purchase, as opposed to E&G funds, and it is nearly impossible to meet that burden of proof. Ms. Hays provided further clarification that the Task Force does not want to sell this property and have the money returned to the General Fund with Murray State having no access to it. This is why language regarding a trade has been incorporated into the recommendation and, while it may be difficult in some imaginations, she believes such an arrangement is possible.

Chair Stout is comfortable with approving recommendations #1, #3 and #6 and asked the Board to consider approving those items. He is concerned about the recommendation to use general University funds to complete the AHT Rear Laboratory because it must first be determined where funding to complete the project will come from and such issues will be addressed at the quarterly meeting in May. Further study must occur regarding the sale or trade of property for the purchase of an additional farm laboratory. The Board must approach this issue carefully from the standpoint of the University. With regard to the BVC, if there is a commitment of federal funds and that is known by the May meeting, this would certainly enter into the discussion and might be a more appropriate time to review more substantive issues.

Mr. Adams indicated the Board should be aggressive with regard to completing the AHT laboratory because program accreditation visits have indicated this project needs to be completed and it has been cited as a need in two separate accreditation visits but has not yet been accomplished. Dr. Dunn agreed it is questionable why the facility has not been completed over the last ten years. The question becomes whether the Board should move forward with this project, since the accreditation process has just been completed, or whether it should plan to have the project completed by the next re-accreditation visit in five years. This differs from saying the Board is ready to commit $256,000 out of E&G funds from next year’s budget in order to complete the project and it is known funding cannot come from CERR funds. Dr. Dunn agrees the project must be completed and does not know why it has not already been done but prefers not to use general funds to complete the project next year. Time is required so the project can be budgeted for in future years but certainly prior to the next AHT re-accreditation visit.

Mrs. Travis asked whether the recommendation on the sale or trade of land could be reworded so Mr. Denton could start the complex process. Chair Stout indicated the sale or trade of land and proposal to purchase an additional farm need to be reviewed to ensure the President, Mr. Denton and General Counsel are comfortable with how the University proceeds. Dr. Dunn agreed and would rather the University think through carefully the wording to clarify the role of all involved. The Board should not amend the recommendation before thinking through the ramifications and he requested time for Mr. Rall and Mr. Denton, in consultation with the President, to thoroughly review the proposal.

Dr. Dunn inquired whether the AGR Student Farm and Facilities Fee would be treated the same as other course fees at the University and Dr. Morgan indicated that to be the case. Dr. Dunn does not believe the motion reflects this and for purposes of the minutes it needs to be made clear the proposed fee will be effectuated in a similar fashion as other course fees. Mrs. Buchanan asked if Ms. Hays, as Chair of the AGR Task Force, could work with the President, Mr. Denton and Mr. Rall to rework the recommendation regarding the sale or trade of existing properties to purchase a new farm laboratory before the May meeting. Chair Stout agreed these issues require
further study but the remaining recommendations could be addressed now. Judge Taylor asked whether these two issues are tied together and Ms. Hays and Dr. Morgan indicated they are but work can begin to determine whether the University can trade property. Mrs. Buchanon agreed the process could be started in Frankfort and Ms. Hays added this is why the two issues were not tied together in one motion. The motion being considered simply allows the process of determining whether a trade is possible to begin. There must be assurance from the state if these two properties are sold the proceeds will come back to the University. Dr. Morgan requested the Board move forward with the recommendation regarding the sale or trade of property because it simply requests the Task Force be allowed to work with the President or his designee to begin the process of reviewing whether this is a viable option and the specific verbiage of the land purchase could be worked out later. Dr. Dunn again stated the advisory role of the Task Force must be clarified if that language is to be included in the motion.

Ms. Hays stated the amended recommendation reads “to allow the Task Force to work with President Dunn, or his designee Mr. Denton, for the sale or trade of the two parcels of property attached and adjacent to the West Farm totaling 13.89 acres and 15.46 acres, respectively, to be used as capitalizing assets for the acquisition of additional farmland laboratory acreage for the School of Agriculture. That MSU begin the process of working with the State Finance Cabinet and appropriate authorities for said process.” This statement does not tie the recommendation to the purchase of additional property. Dr. Dunn indicated there is no need to include the Task Force in the recommendation because the Board would direct the President and Mr. Denton to undertake this work. Ms. Hays stated the work to begin would be to determine what must occur in order to sell or trade property to be used as capitalizing assets for future farm laboratory acquisition. It must be clear these two properties are recognized as farm laboratory land acquisition capitalizing assets and given that consideration there should be no problem with thinking this is tied to the recommendation to purchase land, although the two are related. Chair Stout believes the recommendations must be considered together and Dr. Dunn asked if the properties should be sold even if proceeds cannot be used to purchase additional land. Ms. Hays indicated the two properties would not be sold unless the proceeds could be used to purchase additional land. Dr. Dunn believes the two recommendations are tied together because proceeds from the land sold will be used to purchase new property and if suitable land cannot be identified at a fair price, whether the University will still sell the two tracts identified must be decided. Ms. Hays reported this would be a Board decision and not an AGR Task Force decision. Dr. Dunn indicated if the Board directs him to work with Mr. Denton to start discussing this alternative with representatives in Frankfort they need to indicate that directive is being issued, with the expectation a report would be made to the Board on how such an arrangement might work. Mrs. Buchanon asked if expressed concerns would be alleviated by deleting reference to the Task Force from the recommendation and Dr. Dunn stated the Board needs to be careful about delegating authority and suggested removing reference to the Task Force. Mrs. Buchanon asked if they would report findings back to the Task Force, through the Buildings and Grounds Committee, and Ms. Hays suggested removing reference to the Task Force with regard to the sale or trade of land. Dr. Dunn clarified the Board would be publicly directing him and Mr. Denton (as the University officials responsible for land sale and purchase) to start making these contacts and research this issue with the understanding as they start doing so people will become aware of the University’s request and will most likely seek clarification regarding the intent of the Board.

Amendment to Recommendation #4, approved

Ms. Hays moved to amend the original motion to remove reference to the Task Force for the recommendation regarding the sale or trade of land to give authority to the President or his designee, Mr. Denton, to research the issue and report back to the full Board through the Buildings and Grounds Committee. Mrs. Buchanon seconded.

Chair Stout stated the amended recommendation is to allow President Dunn or his designee, Mr. Denton, to examine the feasibility of the sale or trade of two parcels of property attached and adjacent to the West Farm totaling 13.89 acres and 15.46 acres, respectively, to be used as capitalizing assets for the acquisition of additional farmland laboratory acreage for the School of Agriculture and that they begin the process of working with the State Finance Cabinet and appropriate authorities for said process. Motion carried unanimously.
Amendment to Agriculture Task Force Recommendations, approved

Chair Stout stated there is a motion on the floor to approve the remaining recommendations for a total of seven recommendations to be acted upon. Mr. Adams moved to amend the existing motion and make modifications as outlined below:

Recommendation #2, modified language
Complete the unfinished portion of the A. Carman Animal Health Technology Rear Laboratory utilizing funds as determined by the President and SOA Improvement Funding of $100,000 prior to the next accreditation process.

Recommendation #5, deleted
That the University pursue the purchase of an additional farm laboratory via an internal loan capitalizing on the sale/trade of current property and other revenues. To create a Task Force Committee to identify said property, work with the State of Kentucky Finance Cabinet and master planners, and that this committee report back to the full Board of Regents by Fall 2009 with a proposal identifying specific property(s) and a repayment plan.

Recommendation #7, deleted
That the Breathitt Veterinary Center continue as a top priority on MSU’s State of Kentucky Legislative Capital Project Request List, at or above its current ranking and as recommended by the BVC Advisory Board.

Dr. Manchikanti seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, no; Mrs. Ford, no; Ms. Hays, no; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, no; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; Chair Stout, yes. Motion carried by a vote of 7 to 4.

Amended AGR Task Force Recommendations, approved

Chair Stout indicated the Board would vote on the original motion, including the amendments which have been approved, to implement the following Agriculture Task Force recommendations:

1) Implement an AGR “Student Farm and Facility Fee” of $3 per FTE generated credit hour to assist in the funding of an additional farm laboratory to begin July 1, 2009.
2) Complete the unfinished portion of the A. Carman Animal Health Technology Rear Laboratory utilizing funds as determined by the President and SOA Improvement Funding of $100,000 prior to the next accreditation process.
3) Proceed with building a new or remodeled “Equine Housing Facility” on the West Farm to parallel the amount of funds made available from the State Equine Trust Fund specifically to the School of Agriculture for expressed purposes.
4) Allow President Dunn or his designee, Mr. Denton, to examine the feasibility of the sale or trade of two parcels of property attached and adjacent to the West Farm totaling 13.89 acres and 15.46 acres, respectively, to be used as capitalizing assets for the acquisition of additional farmland laboratory acreage for the School of Agriculture and begin working with the State Finance Cabinet and appropriate authorities for said process.
5) Deleted.
6) That the A. Carman Pavilion and the acquisition of a farm laboratory continue as priorities on MSU’s State of Kentucky Legislative Capital Project Request, at or above their current ranking until completion.
7) Deleted.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. The motion carried unanimously.
Chair Stout thanked the Tuition Task Force and the Agriculture Task Force for their efforts and commitment to the process. Mr. Adams also thanked the two task force chairs, Judge Taylor and Ms. Hays, respectively.

2009-10 Housing Rates, approved

Mrs. Winchester moved that the Board of Regents, upon the recommendation of the President of the University, approve a standard residential college room rate increase of 9.5 percent for residential colleges, effective 2009-10 academic year, and that the Board of Regents, upon the recommendation of the President of the University, approve a dollar increase for Clark and Richmond Colleges equal to that of the standard residential college room rate, effective 2009-10 academic year. Dr. Manchikanti seconded and discussion followed.

Dr. Robertson stated a 9.5 percent increase in the standard housing rate is being requested for the residential colleges based on a number of factors, including:

- 96 percent of the housing budget is for fixed costs
- Debt service increase of $138,207
- Summer projects debt service (high-rise residential colleges) $180,000
- Minimum wage increase for student staff of $110,890
- Residential college system increase of $85,000
- $89,000 or 5 percent increase in utilities
- Reserves for renovation of high-rise residential colleges of $400,000
- Student scholarships in excess of $800,000

Dr. Robertson reported the University must address needs in the high-rise residential colleges because those facilities house the majority of MSU students. This proposal will allow the University to maintain current debt service and also move forward with summer projects and spread the cost of making these improvements over a number of years.

Mrs. Buchanon inquired whether Dr. Robertson is aware of what Murray State’s sister institutions in the state are proposing for housing rates. Dr. Robertson reported this information can be found in the copy of the PowerPoint presentation presented to each Board member. The housing rate increase will place Murray State in the middle of 14 institutions listed for comparison. This comparison is to those institutions which have set their housing rates for 2009-10 (University of Louisville, Southern Illinois, Austin Peay, University of Kentucky and Southeast Missouri). Five institutions have not yet set their housing rates and the chart provided illustrates Murray State’s comparison to those institutions based on their 2008-09 rates. In response to a question from Judge Taylor, Dr. Robertson reported in excess of $800,000 would be allocated for scholarships, which includes room scholarships and replaces lost revenue the University would have received if the students paid for their room, and represents a major component of the University’s scholarship program. Mrs. Buchanon asked for clarification on one of the room rate increase factors being the ability to implement the recommendation of the Living-on-Campus Task Force. Dr. Robertson reported this task force has reviewed the residency requirement for students living on campus. Currently freshmen and sophomores are required to live on campus and students from regional tuition counties are required to live on campus for four years. This recommendation takes into account the recommendations from the task force which would allow the University to have flexibility in the residency policy by exempting seniors from regional tuition counties from the requirement to live on campus.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; Chair Stout, yes. Motion carried unanimously.
**2009-10 Dining Rates, approved**

Mrs. Winchester moved that the Board of Regents, upon the recommendation of the President of the University, approve a rate increase of 9.0 percent based on 2008-09 rates for all Residential Meal Plans and that the Board of Regents, upon the recommendation of the President of the University, approve a rate increase of 9.0 percent based on the 2008-09 rate for the 85/150 Block Commuter Plan. Mrs. Travis seconded and discussion followed.

Mrs. Buchanon indicated when all increases are added together Murray State has increased the cost of attendance by 26 percent and Dr. Dunn reported the cost of attendance for tuition (on the basis of 4 percent), double room and the 180 meal plan would be $720 per year. Mrs. Travis asked what the history of increases for housing have been over the years and Dr. Robertson reported those increases range from 2 to 10 percent, depending on the year and the various factors taken into consideration when making a housing increase recommendation, including a comparison of where Murray State ranks with competitor institutions. This year a major driving factor in the increase in dining rates is increased food costs which is a reflection of the economy. Instead of housing absorbing all debt service for new construction, dining operations assists with that as well and 6 percent of the dining increase will help keep housing rates down. Mr. Adams inquired whether this covers all debt service or just a portion and Dr. Robertson stated it covers part of the debt service and profits from the University Bookstore are also used to cover debt service, with all three auxiliary units working together to cover the cost.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; Chair Stout, yes. Motion carried unanimously.

**Adjournment**

Ms. Hays moved, seconded by Mrs. Ford, that the Special Board of Regents meeting adjourn. The motion carried unanimously. Adjournment was at 5:25 p.m.

[Signatures]

Chair

Secretary

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