SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS MEETING
September 21, 2014
12:30 p.m.
Academic Hall
Board of Regents Room

Open Session Agenda

ACTION ITEMS:

1. Consideration of Approval of Minutes for:
   Open Session Meeting of June 26, 2014
   Open Session Meeting of August 28, 2014
2. Consideration of Approval of Incidental Fee Schedule, Effective Fall 2014
3. Consideration of Approval of Faculty Merit Salary Increase Recommendations
4. Consideration of Approval of Lump Sum Merit Salary Recommendations

ACTION ITEM:

1. Consideration of Motion for “Closed Session for Appropriate Considerations:”
   A. RSMo 610.021.1 -- pertaining to legal actions, causes of action or litigation
   B. RSMo 610.021.3 -- pertaining to the hiring, firing, disciplining or promotion
      of personnel
   C. RSMo 610.021.13 -- pertaining to personnel records, performance ratings
   D. RSMo 610.021.14 -- pertaining to records which are protected from disclosure
      by law

ACTION ITEMS:

1. Reconvene Open Session
2. Consideration of Motion to Adjourn
MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
TWENTY-SIXTH DAY OF JUNE 2014

The Board of Regents for Southeast Missouri State University convened at 8:31 a.m. on Thursday, June 26, 2014, in the John and Betty Glenn Convocation Center, River Campus, Southeast Missouri State University. Regents present were: Mr. Doyle L. Privett, President of the Board of Regents; Mr. Jay B. Knudtson; Mr. Donald G. LaFerla; Mr. Thomas M. Meyer; and Mr. Daren K. Todd. Also present were: Dr. Kenneth W. Dobbins, President of Southeast Missouri State University; Ms. Kathy Mangels, Board Treasurer; Mr. John Grimm, Legal Counsel; and Mr. Brady L. Barke, Board Secretary. Board President Privett presided.

Regent Neely-Martín was not in attendance.

CONSIDERATION OF APPROVAL OF MINUTES

A motion was made by Regent Meyer and seconded by Regent LaFerla to approve the minutes of the open session of May 6, 2014, as written [Attachment A]. A roll call vote was taken. Voting in favor were: Knudtson, LaFerla, Meyer, and Privett. The motion carried.

MOTION TO RECESS THE OPEN SESSION AND CONVENE THE CLOSED SESSION

A motion was made by Regent Knudtson and seconded by Regent Meyer to recess the open session and convene the closed session for consideration of the following:

A. RSMo 610.021.1 -- pertaining to legal actions, causes of action or litigation
B. RSMo 610.021.3 -- pertaining to the hiring, firing, disciplining or promotion of personnel
C. RSMo 610.021.9 -- pertaining to preparation for negotiations with employee groups
D. RSMo 610.021.13 -- pertaining to personnel records, performance ratings
E. RSMo 610.021.14 -- pertaining to records which are protected from disclosure by law

A roll call vote was taken. Voting in favor were: Knudtson, LaFerla, Meyer, and Privett. The motion carried.

The meeting recessed at 8:34 a.m.

The meeting reconvened at 1:29 p.m.

The meeting recessed for lunch and a tour of the new River Campus Center at 1:30 p.m.

The meeting reconvened at 2:28 p.m.

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

President Dobbins announced that routine faculty and non-faculty personnel actions were approved during the closed session, as well as wage amendments to the agreements with the International Brotherhood of Teamsters and the International Union of Operating Engineers. Additionally, the Board approved the extension of the original contract with Patek & Associates, LLC for Legislative Consulting Services for a period of one year from September 1, 2014, through August 31, 2015.

CONSIDERATION OF APPROVAL OF INCIDENTAL FEE SCHEDULE, EFFECTIVE FALL 2014 SEMESTER

President Dobbins asked Ms. Kathy Mangels, Vice President for Finance & Administration, to present the recommendation that the Board approve the proposed revised Incidental Fee Schedule (Attachment 1) for undergraduate incidental fees, effective for the Fall 2014 semester [Exhibit A].

Vice President Mangels explained that on May 6, 2014, the Board approved an Incidental Fee Schedule to be effective for Fall 2014 based on the recommendations of the Budget Review Committee (BRC) and President at the time. While the state legislative process had not indicated a definitive funding level for higher education at that point, the committee worked from the assumption of a 4% increase in state appropriations for FY15 which equates to a $1.7 million increase for Southeast. This assumption was conservative considering the House/Senate approved budget included a 5%
appropriations increase for higher education. Additionally on May 6, 2014, the Board approved assessing $2.50 of the previously approved increase per credit hour to the general fee for maintenance and repair.

The Governor has signed HB2003 which provides FY15 operating appropriations for higher education. HB2003 includes a 5% increase in operating appropriations for higher education; however, the Governor has restricted or withheld the full amount of the increase. A 5% increase in state appropriations equates to $2.15 million for Southeast, which would be approximately $430,000 more in revenue than assumed by BRC. However, the withholding of the full increase leaves a $1.7 million shortfall in the FY15 budget recommended by BRC and the President.

Based on the assumption of a 4% increase in state operating appropriations, BRC was able to balance the budget without increasing incidental fees to undergraduate students. In accordance with Senate Bill 389, Southeast Missouri State University may only increase fees charged to all residential undergraduate students by the amount of the percentage increase in the consumer price index, unless approved by a representative group of the student body. For fiscal year 2014-2015, the allowable increase for Southeast, as determined by the Missouri Department of Higher Education, is $100.76 or $3.35 per credit hour. The Board approved at their May 6, 2014, meeting increasing incidental fees by the full amount of the allowable increase, but waiving the entire amount.

In FY11, FY12 and FY13, the Board approved increasing incidental fees by the allowable CPI increase; however, this total increase was not assessed to students either. The amount of fees approved but not assessed to students has been recorded as a fee waiver in the university’s accounting records. Based on the action taken by the Board at their May 6, 2014, meeting, the University would have waived $9.00 per credit hour of undergraduate incidental fees for the 2014-15 academic year.

Due to the Governor’s withholding, in order to balance the FY15 general operating budget and still fund program enhancements and required costs of continuing operations it is proposed undergraduate incidental fees assessed to students effective Fall 2014 increase by $3.50 per credit hour. This fee increase will generate approximately $620,000 or 36% of the $1.7 million shortfall needed. The university would still waive $5.50 per credit hour of residential undergraduate incidental fees in FY15 if the Board accepts this recommendation.

As shown in Attachment 1, administration recommends that total fees assessed to residential undergraduate students in Fall 2014 increase from $228.75 per credit hour to $234.75 per credit hour. This $6.00 per credit hour increase includes the $2.50 per credit hour general fee increase for maintenance and repair previously approved and $3.50 per credit hour incidental fee increase allowed under SB389 limitations.
Keeping in mind our mission of affordability for students, the remaining $1.1 million needed to balance the FY15 operating budget would initially come from one time dollars for Fall 2014 semester and not from student fees. The University would commit $550,000 in one time dollars from existing unrestricted fund balance to meet the budget obligations of the first six months of the fiscal year, which would allow time to monitor the state revenue situation and see if base dollars restricted by the Governor are released.

A motion was made by Regent Meyer and seconded by Regent LaFerla to approve the proposed revised Incidental Fee Schedule for undergraduate incidental fees, effective for the Fall 2014 semester. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF THE PROPOSED FY15 UNIVERSITY AND AUXILIARY OPERATING BUDGETS

President Dobbins asked Vice President Mangels to present the recommendation that the Board approve the proposed FY15 University and Auxiliary Operating Budgets [Attachment B].

Vice President Mangels explained that as a result of the Budget Review Committee’s deliberations, the proposed FY15 University Operating Budget was submitted to President Dobbins for approval (Summary – Attachment 1; Itemized – Attachment 2).

The Budget Review Committee (BRC) is composed of 30 individuals who represent all major interest groups on campus. Based on the Board’s directive in March 2010, BRC has been deliberating on ways to meet an anticipated budget need of $20 million over fiscal years FY11 - FY15. This shortfall was estimated based on the assumptions that state appropriations could be reduced by a total of 15% - 20% during this period, the university would have costs to continue normal operations which average $1.2 million per fiscal year, and the university would have to address salary needs for employees during this period. The university had identified $19.5 million over this five year period, including the recommendations for FY15.

BRC used the assumption of a 4% increase in state appropriations for FY15 when compiling the budget, which equates to a $1.7 million increase for Southeast. Southeast did meet all five of the performance funding indicators established with the Missouri Department of Higher Education for the FY15 appropriation process. Based on this assumption, state appropriations would represent 41.9% of the University’s FY15 general operating income. Because the final funding for higher education in FY14 was a slight increase from the assumption used by the BRC, there is also approximately $214,000 of unbudgeted base appropriations from the FY14 budget process available for the FY15 budget.
In January 2014 the University implemented the agreed upon parameters of the salary equity study, resulting in mid-year salary increases for 35% of the eligible faculty, 29% of the eligible administrative/professional staff and 52% of the eligible clerical/technical/service staff. In order to maintain the market position that was achieved by this process, the BRC recommended a 2.5% base merit salary increase for all employee groups for FY15.

As part of the committee’s deliberations, they reduced their initial recommended funding levels for several departmental initiatives in order to establish a pool of base dollars to implement future recommendations from the Academic Visionary Committee. President Dobbins’ recommendations includes one-time funding to restore these dollars for women’s athletic scholarships, faculty summer research programming and requested compensation levels for overload and part time faculty pay.

The proposed FY15 budget includes (detailed in Attachment 3):

1. Four percent increase in FY15 state operating appropriations and unbudgeted base appropriations from the FY14 budget process.
2. Increase in incidental fee revenue net of related expenditures (e.g., scholarships and fee waivers) from increased enrollments, a 1.7% per credit hour incidental fee increase assessed to graduate students, a $4.50 per credit hour increase to the online course fee, and program fee income from increased enrollments in high cost programs (Nursing, Computer Science, Athletic Training).
3. Administrative commitments including increases in utility costs, increases in employee benefit costs, and the salary cost of faculty merit promotions and a staff extra ordinary merit pool.
4. Programmatic expenditure increases and enhancements including operations funding for athletics officials fees, additional athletic scholarships for women’s sports, and expenses related to implementation of recommendations of the Academic Visionary Committee.
5. Staffing increases for custodial support and Arts Resource Center management at the River Campus, personnel to expand the Information Technology Help Desk to a 24/7 operation, and student labor to expand tutoring services and supplemental instruction.
6. Faculty position in Healthcare Administration and faculty stipends for a summer research program.
7. One-time funding for term faculty and operations costs for student teaching supervision in the College of Education, Admissions staff and operations for recruiting in northern Illinois, staff positions for campus violence prevention and student success coach, and recommendations from campus retention initiatives and the Academic Visionary Committee.
8. Staff base merit salary increase of 2.5% for administrative/professional staff, clerical/technical/service staff, bargaining units and graduate assistant stipends.

9. Faculty base merit salary increase of 2.1875% and a 0.3125% salary pool to fund post-professorial merit increases, and a 20% increase to the overload and part time faculty compensation levels.

The total proposed University operating budget for FY15 is $106.7 million, net of designated revenue. For illustration purposes, Attachments 4, 5 and 6 contain graphs that display the sources of estimated revenues and net expenditures by major division and expense category. The distribution of total expenditure budgets between divisions has remained relatively consistent with FY14 budget allocations, with a slight increase to budget allocated to Academic Affairs.

Also enclosed are the proposed operating budgets for all auxiliary departments, totaling $36.9 million, all of which are balanced (Attachment 7). The Residence Life budget incorporates FY15 room and board rates approved by the Board at their February 28, 2014, meeting.

President Dobbins indicated that the Governor has signed HB2003 which provides FY15 operating appropriations for higher education. HB2003 includes a 5% increase in operating appropriations for higher education; however, the Governor has restricted or withheld the full amount of the increase. A 5% increase in state appropriations equates to $2.15 million for Southeast, which would be approximately $430,000 more in revenue than assumed by BRC. However, the withholding of the full increase leaves a $1.7 million shortfall in the FY15 budget recommended by BRC and the President.

President Dobbins noted the incidental fee increase passed by the Board of Regents (Exhibit A) will generate approximately $620,000 or 36% of the $1.7 million shortfall needed. The Board also discussed deferring faculty and staff salary increases for FY15 until September 1. This would result in a savings of approximately $200,000. The remaining shortfall would be made up with one-time funds. The Board would then revisit the budget situation in the Fall semester depending on whether any of the state appropriations are later released.

A motion was made by Regent Todd and seconded by Regent Meyer to approve the proposed FY15 University and Auxiliary Operating Budgets, with the funding source substitutions for the incidental fee increase, deferred salary increases until September 1, 2014, and use of one-time funds. The motion carried unanimously.

Regent Knudtson also raised a question about the performance appraisal process for chairpersons. He questioned whether the process adequately allows for evaluation of a chair's administrative role, as well as that of a faculty member. The Board asked that President Dobbins work with Faculty Senate to review and revise this process to better allow for meaningful evaluation of both roles.
CONSIDERATION OF APPROVAL OF BIENNIAL CAPITAL BUDGET REQUEST FOR FY16 AND FY17 TO BE SUBMITTED TO THE DEPARTMENT OF HIGHER EDUCATION

President Dobbins asked Vice President Mangels to present the recommendation that the Board approve the biennial Capital Budget Request for FY16 and FY17 to be submitted to the Department of Higher Education [Attachment C].

Vice President Mangels explained the Capital Budget Request (Attachment 1) includes an FY16 and FY17 Budget Request and Long Range Plan Requests. The University’s 2010 bond issuance provided funding to address two projects that had been top priorities in the Capital Budget Request to CBHE in previous years, the renovation of Academic Hall and Magill Hall. The remaining bonding capacity only allowed the university to address the priority one and priority two projects identified through the deferred maintenance study. Therefore, the first priority for FY16 Capital Funding is the remaining campus-wide deferred maintenance projects.

The renovations in this request include updating building envelopes and mechanical, electrical, and HVAC systems throughout many of the University’s oldest campus buildings. Additionally, funding is requested for roof replacements to numerous buildings, replacement of deteriorating single-pane, metal-frame windows, and upgrades to site elements responsible for storm water drainage. These renovations are necessary to ensure our academic buildings provide a safe, accessible environment that is energy efficient and can accommodate the technology and systems needed in today’s modern classroom.

Also included in the campus wide renovations is maintenance to the tunnel system. This portion of the project involves repair and/or replacement to various sections of the tunnels as well as increasing safety through added lighting, hazardous material abatement, and improved ventilation. Due to past expansion of the campus infrastructure, some sections of the tunnels have become overcrowded and do not allow proper use.

The renovation of Grauel Building is the University’s next priority. This project will upgrade the electrical service, increase the capacity of the HVAC system, renovate the classrooms and bring the theatre into compliance with ADA guidelines. The building’s single pane windows would also be replaced with high performance windows, providing energy efficiency through the building. These space upgrades are essential for accreditation of the Communication Disorder and Mass Media programs.

The remaining priorities are Long Range Plan requests for FY18 funding and beyond. These priorities include rehabilitation of the Art Building, which was built in 1902 and has not had a significant renovation in over 40 years. The building has structural deterioration that needs to be corrected, in addition to replacement of outdated mechanical, electrical and plumbing systems.
A motion was made by Regent Knudtson and seconded by Regent LaFerla to approve the biennial Capital Budget Request for FY16 and FY17 to be submitted to the Department of Higher Education. The motion carried unanimously.

INGRAM'S '50 MISSOURIANS YOU SHOULD KNOW'

President Dobbins congratulated Regents Knudtson, Neely-Martin, and Privett who were all featured in Ingram's recent publication of '50 Missourians You Should Know' [Exhibit B]. President Dobbins noted it was wonderful to have three Regents recognized in this prestigious publication.

CONSIDERATION OF APPROVAL TO PROCEED WITH SHOW ME CENTER CAPITAL PROJECTS

President Dobbins asked Vice President Mangels, to present the recommendation that the Board approve the High Priority Projects Phasing Plan for renovations to the Show Me Center and authorize administration to proceed with construction documents [Attachment D]. Vice President Mangels invited the following individuals to assist in the presentation: David Greusel, Convergence Design; Tom Trabue, Trabue Hansen & Hinshaw; Andrea Mulvany, Henderson Engineers, Inc.; and Mr. Brad Lundy, Wrightson Johnson Haddon & Williams.

In Fall 1987 the University opened the Show Me Center (SMC). The project was funded through a joint venture between the University, the City of Cape Girardeau and the state of Missouri. While the facility is home to Southeast’s Division I men and women’s basketball programs, it hosts a variety of university, private and entertainment events every year. While the university has completed some upgrades to the facility since its opening, including the addition of the east exterior ticket booth and the stair and patio area on the north side of the building, the majority of the original components remain in the building and are past their useful life.

The Board authorized administration to pursue design development services for major capital renovations at the SMC at their February 28, 2014 meeting. Convergence Design was engaged to provide these services. They partnered with a team of consultants who specialize in the planning and design of spectator facilities and developed a scope of work and magnitude of cost for renovations considered the highest priority, along with suggestions for secondary priority projects. The executive summary of their report is provided in Attachment 1.

The proposed High Priority Projects include infrastructure and building components that are original to the building and beyond their useful life or capability for today’s arena events (Attachment 1, page 3). This includes the telescopic seating,
scoreboard system, sound and lighting systems, roof, elevator and rigging grid. In addition, the front meeting rooms and restrooms are outdated and in the case of the meeting rooms, do not accommodate today’s technology.

The lower level retractable seating is original to the building and over 27 years old. The support structure and decking welds have started to fail and the manufacturer no longer makes the seating style we have, so replacement pieces are not available. The consultants recommend replacing the existing telescoping seating platforms with equivalent replacement seating that would incorporate wider seats in some sections, removable ADA seating platforms, handrails in all aisles and bench seating in the west end of the arena.

The center hung scoreboard is also original to the building. The system is based on incandescent bulb technology which is not energy efficient and replacement parts are no longer available for the system. In order to be on par with over OVC schools it is recommended we replace with a system that has video capabilities. The consultants have provided a budget that accommodates either a new center hung scoreboard with video capabilities or end wall video/score boards.

The roof is 22 years old and deterioration is allowing water under the roofing membrane, with the most damage occurring on the south side of the building. Most of the northern parking lots are original asphalt paving, and much of the binder material which is the foundation of the parking lot is gone and loose aggregate remains. The current condition leads to vehicle damage and trip/fall hazards for pedestrians.

Many of the other major infrastructure components are original to the building and obsolete in terms of functionality and ability to find replacement parts, including the sound system and interior and exterior lighting.

As part of the master planning process, the consultants also reviewed and developed cost magnitude for a list of secondary projects that are lower in priority than the core infrastructure building components identified as high priority projects (Attachment 1, page 4). These projects include constructing an addition to the building that could accommodate new basketball locker rooms, lounge/film area and additional public restroom facilities. Other priority two projects include server and concession area upgrades, concourse finish upgrades and way finding graphics.

The preliminary cost estimate of the high priority projects is $9.49 million (Attachment 1, page 5). These estimates include a 20% contingency, anticipating that construction may be phased because of use of the building and availability of funding. The consultants evaluated the scope of work to be performed inside the arena and determined that based on the number of contractors and the scope of projects, the work to be completed inside the arena would have to be phased over two summers (Attachment 1, page 6). The seating, scoreboard, sound and lighting system could all be replaced at the
same time, and the rigging grid and fall arrest system upgrades coordinated in a second phase.

Administration and SMC staff have evaluated the high priority projects and are recommending two initial phases of projects beginning summer 2015. The telescoping seating, scoreboard system, sound system and interior lighting systems would be replaced during summer 2015. The SMC roof would also be replaced during 2015. It is recommended that the Student Recreation Center roof be replaced at the same time because it is contiguous and in the same condition as the SMC roof.

Considering that the parking lot area will be used for contractor lay down during the first phase, it is recommended that the north parking lot replacement and site lighting upgrades be completed during Summer 2016. The second phase of arena projects, upgrading the rigging grid and fall arrest system, would also be completed at this time. The meeting rooms would be kept online during the first phase of renovation, and therefore the renovation of these rooms would also take place in the second phase during 2016.

The remaining projects on the high priority list would be re-evaluated with updated cost figures after the first two phases are complete. This would allow the university to assess funding remaining after bids are let on the initial projects, and to reassess priorities at that time. While the elevator and restrooms have not been upgraded since originally installed, they are in working condition and not experiencing issues at this time. The condition of the remaining parking lots could be re-evaluated at that time to determine the appropriate course of action. Additionally, due to the costs and non-essentiality of the Secondary Priority Projects, these projects are not projected for the near future.

Attachment 2 outlines the proposed phasing of High Priority Projects and the budgetary impact by fiscal year. Based on the proposed construction schedules, projects totaling $5.62 million would be completed in FY15-16 and projects totaling $2.57 million in FY16-17.

A combination of one time funds, currently available, and an internal loan from the University’s fund balance would be used to finance the projects (Attachment 3). One time funds include fund balances already set aside for SMC repair and replacement costs, parking lot improvements, and university master plan projects. There are also funds remaining from recent SMC and athletic related projects that would be reallocated to this project.

An internal loan from the University’s fund balance of approximately $3.1 million in FY15 and $2.0 million in FY16 would be required based on current construction estimates. Based on a 15 year payback, this would require annual payments of approximately $340,000. Attachment 3 details ongoing sources of funds for this loan
payment, all of which are currently available or budgeted for future years. These sources include an annual commitment from the SMC and Athletics operating funds, and revenues from related contracts including the soft drink pouring rights contract and anticipated new SMC signage opportunities.

A motion was made by Regent Knudtson and seconded by Regent Meyer to approve the High Priority Projects Phasing Plan for renovations to the Show Me Center and authorize administration to proceed with construction documents. The motion carried unanimously.

CONSIDERATION OF APPROVAL TO PROCEED WITH CREATIVE LABS INCUBATOR PROJECT

President Dobbins asked Vice President Mangels, Dr. Bill Eddleman, Provost; Dr. James Stapleton, Associate Professor of Management and Executive Director of the Douglas C. Greene Center for Innovation and Entrepreneurship; Dr. Gerry McDougall, Associate Provost for Online & Extended Learning, Dean of the Harrison College of Business and Executive Director of the Missouri Innovation Corporation, to present the recommendation that the Board approve the design concept and budget for the proposed Creative Labs and Industries Incubator and authorize administration to proceed with construction documents. [Attachment E].

The roots for the proposed Creative Labs and Industries Incubator extend back to 1996 when the Board of Regents approved the establishment of the Center for Entrepreneurship and a minor in Entrepreneurship for undergraduate business majors. Since then, the Board has approved the naming of the Douglas C. Greene Center for Innovation and Entrepreneurship, the establishment of five focused or specialized minors in entrepreneurship that connect academic programming with faculty and undergraduate students across campus and an option in entrepreneurship under the MBA program. In 2013, the Board approved the establishment of the Institute for Regional Innovation and Entrepreneurship to expand non-credit outreach to foster the growth of microenterprise business development in our multi-state region based on the Kauffman Foundation’s Operation Jump Start curriculum.

For the past two years Dr. James Stapleton, Executive Director of the Douglas C. Greene Center for Innovation and Entrepreneurship, has been developing the concept of a Creative Labs and Industries Incubator to support experiential activities that promote creativity, innovation and the development of entrepreneurial mindset among students drawn from disciplines across campus. The design (Attachment 1) for the proposed incubator incorporates ideas from fifteen faculty members (Attachment 2) representing fifteen different academic programs offered by four different departments across four colleges (Attachment 3).
This distinctive incubator space incorporates an open floor plan that provides flexibility to accommodate any future curriculum changes and promotes interaction between and among students, faculty members, practicing entrepreneurs and venture capitalists. The interdisciplinary nature of the academic programming being developed is consistent with the priority guiding the current work of the University’s Academic Visionary Committee. The design incorporates specialized work space that will support experiential activities that take students from the idea and concept stage, to prototyping and product/service development, to commercialization. The final phase, commercialization, will take advantage of flexible retail space that is built into the design.

The Incubator will provide unique opportunities for students to interact with student and community consultants as they work on core functions of design, merchandising, media development, marketing, accounting, financial management and others. Private partners, underwriting partners and angel investors affiliated with the incubator will provide financial, capital or intellectual investments, as well as grants and other gifts. Planned programming incorporates 24 different courses (Attachment 4).

Planned operating budgets for FY15 through FY18 have been constructed (Attachment 5). Estimated gross revenue includes retail sales revenue, university support and grant funds. University support includes one-time funding over a two-year implementation phase and continuing support for graduate assistants, student workers and operations from internal reallocations. Operating expenses include an operations manager supported by graduate assistants and student workers, utilities, maintenance and general operating costs. The faculty advisory group that has provided input during the design phase will be responsible for curriculum design and implementation.

The University contracted with KAI Design & Build to provide design development services for the renovation of the property at 612/616 Broadway. Their staff worked with the Faculty Advisory Committee and Facilities Management personnel to refine the programming for the facility and assess infrastructure upgrades needed to meet the planned activities.

As seen in Attachment 1, the retail component of the facility would operate out of the first floor, along with a beverage center and printing press area, exposing students to print formats from letterpress to digital. A classroom/meeting space would be available on both the first and second floor to accommodate student and faculty gatherings, along with community activities. The second floor provides the open areas for group collaboration, and the design and production studios to be shared by occupants of the facility.

The 13,320 square foot building does require structural upgrades to repair prior water damage, along with upgrades to the electrical, HVAC and plumbing systems. The total cost of construction, including fixtures and equipment, is $1,495,000. With the cost
of the building purchase and grant administration services, the total cost of the project is $1,730,000 (Attachment 6).

As previously discussed with the Board, the University has received private donations and state grants totaling $1.25 million for this project. In addition, $50,000 from revenues received from the University’s existing printing contract will be committed to the project. Since the project crosses multiple academic disciplines, $100,000 from the annual funding set aside for academic remodeling projects will be committed, along with $125,000 in one-time dollars from Academic Affairs annual operating budget carryovers. The University will also contribute $205,000 of one-time funds set aside for campus master plan projects.

It is anticipated that construction documents could be completed and the project bid in September 2014, with construction completed in Spring 2015.

A motion was made by Regent Todd and seconded by Regent Knudtson to approve the design concept and budget for the proposed Creative Labs and Industries Incubator and authorize administration to proceed with construction documents. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF ACADEMIC PROGRAM CHANGES

President Dobbins asked Provost Eddleman and Dr. Heather McMillan, Assistant Professor of Management, to present the recommendation that the Board approve the following changes to Academic Programs [Attachment F]:

- New Program – Bachelor of Science in Healthcare Management (Attachment 1 – Page 4)
- New Program – Bachelor of Science in Business Administration in Healthcare Administration (Attachment 2 – Page 12)
- New Program – Master of Science in Healthcare Management (Attachment 3 – Page 20)
- New Program – Graduate Certificate in Healthcare Management (Attachment 4 – Page 28)
- New Program – Graduate Certificate in Healthcare Management – Administration (Attachment 5 – Page 35)
- New Program – Graduate Certificate in Healthcare Management – Communication (Attachment 6 – Page 42)
- New Program – Graduate Certificate in Healthcare Management – Informatics (Attachment 7 – Page 49)
- New Program – Graduate Certificate in Healthcare Management – Quality and Patient Safety (Attachment 8 – Page 56)
• New Program — Bachelor of Arts in Psychology (Online) (Attachment 9 – Page 63)
• New Program — Master of Arts in Industrial/Organizational Psychology (Attachment 10 – Page 70)
• Program Title Change — BS in Recreation to BS in Recreation and Park Administration (Attachment 11 – Page 77)
• Program Title Change — MS in Organizational Management to MS in Management (Attachment 12 – Page 79)

Provost Eddleman indicated that many of the academic programs are the result of the Academic Visionary Committee’s work regarding health-related fields.

A motion was made by Regent Meyer and seconded by Regent LaFerla to approve the academic program changes. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF CONSENT AGENDA ITEMS

The following items were presented as consent agenda items:

• Approval of Faculty Senate Bills [Attachment G]:
  A. 14-A-11: Department and the Department Chairperson
  B. 14-A-13: Normal Load During the Academic Year
  C. 14-A-17: Syllabus
  D. 14-A-18: Faculty Tenure and Promotion
• Resolutions of Honor for Women’s Gymnastics, Men’s and Women’s Track & Field, and Baseball Teams [Attachment H]

A motion was made by Regent Knudtson and seconded by Regent Meyer to approve the Faculty Senate Bills. The motion carried unanimously.

A motion was made by Regent Meyer and seconded by Regent Knudtson to approve the resolutions of honor. The motion carried unanimously.

DISCUSSION REGARDING DRAFT STRATEGIC PLAN

President Dobbins discussed the draft strategic plan [Attachment I]. The Strategic Planning Steering Committee met during the Spring 2013 semester to review and revise the University’s 2008 Strategic Plan. The draft strategic plan was reviewed by the Board of Regents at its retreat in September 2013. The Board made recommendations regarding changes to the draft and asked the steering committee to consider the recommendations.
The steering committee and members of the Executive Staff met twice during the Spring 2014 semester to review the recommendations and make appropriate revisions to the draft strategic plan. There were several major changes, including:

- Addition of an introduction to the strategic plan
- Addition of introductory statements explaining the priority and detailing the progress the University has made in that area since 2008
- Revisions to the objectives outlined under the priorities

Attachment 1 contains a redline version of the previous draft version, with committee changes marked. Attachment 2 is a regular version of the draft strategic plan with committee changes incorporated.

Once reviewed by the Board, feedback regarding the draft strategic plan will be solicited by members of the University community and the steering committee will work to finalize the strategic plan. The strategic plan will be presented to the Board for approval in December 2014.

FACULTY INITIATIVE – MILLER RESERVE

Provost Eddleman provided a report regarding the Miller Reserve, a 27.22-acre property near Commerce, Mo., received by the Southeast Missouri University Foundation as a charitable gift from the family of the late Georgia Lee Miller Lawrence [Attachment J]. It will serve as an outdoor classroom and research site for Southeast Missouri State University science and science education students.

CBHE GOVERNING BOARD FORUM – COLLEGE COMPLETION PANEL DISCUSSION

President Dobbins asked Dr. Debbie Below, Vice President for Enrollment Management and Student Success and Dean of Students, to briefly discuss the college completion panel discussion she participated in during the CBHE Governing Board Forum. Dr. Below indicated she was invited to participate by Commissioner David Russell to speak about the University’s efforts related to the creation of degree maps, as well as co-requisite remediation for mathematics courses.

PROGRESS REPORT ON CONTRACTS AND FACILITIES MANAGEMENT PROJECTS

The Board was provided with a progress report on contracts and Facilities Management projects [Attachment K].
INFORMATIONAL ITEMS

The Board was provided, for informational purposes, the 2014-15 River Campus Season Brochure [Exhibit C].

CONSIDERATION OF MOTION TO ADJOURN

A motion was made by Regent Todd and seconded by Regent Meyer to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at 4:28 p.m.

__________________________________________
Brady L. Barke
Board of Regents’ Secretary

APPROVED:

__________________________________________
Doyle L. Privett, President
Board of Regents
Southeast Missouri State University
Subject to approval by the Board of Regents.

MINUTES OF THE OPEN SESSION
OF THE
SOUTHEAST MISSOURI STATE UNIVERSITY
BOARD OF REGENTS
HELD ON THE
TWENTY-EIGHTH DAY OF AUGUST 2014

The Board of Regents for Southeast Missouri State University convened at 8:41 a.m. on Thursday, August 28, 2014, in Room 102, Dempster Hall, on the campus of Southeast Missouri State University. Regents present were: Mr. Doyle L. Privett, President of the Board of Regents; Mr. Jay B. Knudson; Mr. Donald G. LaFerla; Mr. Thomas M. Meyer; Ms. Kendra Neely-Martin, Vice President of the Board of Regents; and Mr. Daren K. Todd. Also present were: Dr. Kenneth W. Dobbins, President of Southeast Missouri State University and Mr. Brady L. Barke, Board Secretary. Board President Privett presided.

CONSIDERATION OF MOTION TO RECESS THE OPEN SESSION AND CONVENE THE CLOSED EXECUTIVE SESSION

A motion was made by Regent Meyer and seconded by Regent Neely-Martin to recess the open session and convene the closed executive session for consideration of items pertaining to the following:

A. RSMo 610.021.1 – legal actions, causes of action or litigation
B. RSMo 610.021.3 – hiring, firing, disciplining or promotion of personnel
C. RSMo 610.021.13 – personnel records, performance ratings
D. RSMo 610.021.14 – records which are protected from disclosure by law

The motion carried unanimously.

The meeting recessed at 8:42 a.m.

The meeting reconvened at 3:28 p.m.
CONSIDERATION OF MOTION TO ADJOURN

A motion was made by Regent Meyer and seconded by Regent Knudtson to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at 3:29 p.m.

______________________________
Brady L. Barke
Board of Regents’ Secretary

APPROVED:

______________________________
Doyle L. Privett, President
Board of Regents
Southeast Missouri State University
BOARD OF REGENTS
MOTION CONSIDERATION FORM

September 21, 2014
Open Session

I. Motion to be Considered:

Approve the proposed revised Incidental Fee Schedule (Attachment 1) for undergraduate incidental fees, effective for fall 2014.

II. Motion to be Considered:

On May 6, 2014 the Board approved an Incidental Fee Schedule to be effective for fall 2014 based on the recommendations of the Budget Review Committee (BRC) and President at the time. The Board approved increasing resident undergraduate incidental fees by $3.35 per credit hour, the maximum amount allowable under SB389, but waived the full amount of the increase. The Board did approve assessing $2.50 of the previously approved increase per credit hour to the general fee for maintenance and repair effective with the fall 2014 semester. These fees were originally approved by the Board on December 8, 2010 and were scheduled to be fully assessed in fall 2013 for the repayment of the Series 2010 bonds.

While the state legislative process had not indicated a definitive funding level for higher education at the time of the May 2014 board meeting, the committee worked from the assumption of a 4% increase in state appropriations for FY15. The Governor subsequently signed HB2003 which provided a 5% increase in FY15 operating appropriations for higher education; however, the Governor withheld the full amount of the increase. A 5% increase in state appropriations equates to $2.15 million for Southeast, which would be approximately $430,000 more in revenue than assumed by BRC. However, the withholding of the full increase left a $1.7 million shortfall in the FY15 budget recommended by BRC and the President.

Recommended By:

Student Government
Faculty Senate
Administrative Council
VP, Finance & Admin.
VP, University Advancement

Chairperson
Dean
Academic Council
Provost
President

Board Action on:
Motion By: ________________________________
Second By: ________________________________
Vote: Yeas: ___ Nays: ___
Postpone: ________________________________
Amend: ________________________________
Disapprove: ________________________________
Approve: ________________________________
Secretary: ________________________________
In order to balance the FY15 general operating budget and still fund program enhancements and required costs of continuing operations after the Governor’s withholding, the Board voted on June 26, 2014 to assess $3.50 in resident undergraduate incidental fees effective fall 2014. The revenue from this fee increase, along with a deferral of salary increases to September 1, 2014 and use of unrestricted fund balance would provide funding to cover the shortfall during the first six months of the fiscal year while state revenues could be assessed.

On September 11, 2014 Governor Nixon announced the release of the full 5% withholding to higher education institutions. The release of these appropriation dollars fully funds the FY15 budget approved by the Board on June 26, 2014 and therefore it is recommended that undergraduate incidental fees for fall 2014 be reduced to the level originally approved by the Board in May 2014, as shown in Attachment 1. Because the general fee for maintenance and repair is specifically designated for the repayment of bonds and previously approved by Student Government and reported under SB389 requirements, it would continue to be assessed.

Administration recommends that total fees assessed to resident undergraduate students for Fall 2014 decrease by $3.50 per credit hour, from $234.75 per credit hour to $231.25 per credit hour. The total fees assessed on lower division courses at the regional campuses would be reduced by $4.00 per credit hour, from $145.00 to $141.00.

A credit for the reduction in fees would be placed on the student’s account based upon their credit hour enrollment as of the fourth-week census date.
SUMMARY OF PROPOSED INCIDENTAL AND GENERAL FEES
EFFECTIVE FALL 2014 SEMESTER
Revised September 21, 2014

<table>
<thead>
<tr>
<th></th>
<th>UNDERGRADUATE</th>
<th></th>
<th>GRADUATE</th>
<th></th>
<th>REGIONAL CAMPUSES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RESIDENT</td>
<td>NON-RESIDENT</td>
<td>RESIDENT</td>
<td>NON-RESIDENT</td>
<td>LOWER DIVISION COURSES</td>
</tr>
<tr>
<td>CURRENT FEES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT INCIDENTAL FEES (per credit hour):</td>
<td>$203.20</td>
<td>$375.53</td>
<td>$254.33</td>
<td>$474.74</td>
<td>$127.58</td>
</tr>
<tr>
<td>CURRENT GENERAL STUDENT FEE</td>
<td>33.70</td>
<td>33.70</td>
<td>33.70</td>
<td>33.70</td>
<td>13.50</td>
</tr>
<tr>
<td>TOTAL CURRENT INCIDENTAL &amp; GENERAL FEES</td>
<td>$236.90</td>
<td>$409.23</td>
<td>$288.03</td>
<td>$508.44</td>
<td>$141.08</td>
</tr>
<tr>
<td>Less Applied Incident Fee Waiver</td>
<td>(5.65)</td>
<td>(0.23)</td>
<td>(0.03)</td>
<td>(0.44)</td>
<td>(0.08)</td>
</tr>
<tr>
<td>Less Applied General Fee Waiver</td>
<td>(2.50)</td>
<td>(2.50)</td>
<td>(2.50)</td>
<td>(2.50)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CURRENT INCIDENTAL &amp; GENERAL STUDENT FEE REALIZED BY STUDENTS</td>
<td>$228.75</td>
<td>$406.50</td>
<td>$285.50</td>
<td>$505.50</td>
<td>$141.00</td>
</tr>
</tbody>
</table>

PROPOSED FEES INCREASE

|                        |            |            |          |            |                  |
| PROPOSED INCIDENTAL FEE INCREASE | $3.35 | $6.19 | $4.19 | $7.83 | - |
| PROPOSED TECHNOLOGY/MAINTENANCE FEE INCREASE | - | - | - | - | - |
| TOTAL PROPOSED INCIDENTAL AND GENERAL STUDENT FEE | $240.25 | $415.42 | $292.22 | $516.27 | $141.08 |
| Less Applied Incident Fee Waiver | (9.00) | (6.42) | (0.22) | (0.27) | (0.08) |
| TOTAL PROPOSED INCIDENTAL AND GENERAL STUDENT FEE REALIZED BY STUDENTS | $231.25 | $409.00 | $292.00 | $516.00 | $141.00 |

NOTES:
1. Graduate fees for the joint Southeast - University of Missouri-Columbia PHD in Education will be at the rate established by the U of M - Columbia per our cooperative agreement.
2. Fees for upper division courses at the south regional campuses are the same as Cape campus fees.
3. General fee at south regional campuses include $3.50 for technology and maintenance and repair costs.
4. Fee waiver applied for rounding purposes.
BOARD OF REGENTS
MOTION CONSIDERATION FORM

September 21, 2014

Open Session

I. Motions to be Considered:

Approve a merit salary increase for faculty and staff capped during the equity study equal to the amount necessary to bring their base salary to 90% for faculty and 85% for staff their respective market median, effective with their fiscal year 2015 contract.

II. Background:

At the time the equity study was implemented on January 1, 2014 the Board of Regents voted to cap individual salary adjustments for faculty and staff at 15%. This resulted in 10 current faculty and 35 current staff earning less than their respective market median (based on rank or years in position).

The compensation philosophy that was adopted as part of the salary equity study was that new faculty would be recruited at 90% of market median based on their CIP code, and new staff at 85% of market median for the position. Fifty percent of the faculty capped at 15% remained at a percentage to market median below 90% and 31% of the staff remained at a percentage to market median below 85%.

For those faculty less than 90% of market median and staff below 85%, the possibility exists that new hires could have a starting salary above existing employees with years of service. In order to eliminate this possibility, it is recommended that all faculty receive a salary adjustment to bring them to 90% of their market median and staff a salary adjustment to 85% of their market median, effective with their fiscal year 2015 contract.

Recommended By:

Student Government ____________________ Chairperson ____________________
Faculty Senate ________________________ Dean ____________________________
Administrative Council ________________ Academic Council ________________
VP, Enroll. Man. & Stu. Suc. ________ Provost ____________________________
VP, Finance & Admin. ________________ President _________________________
VP, University Advancement

If you are going to make a motion, you must put your name on it or be recognized as an officer of the Board of Regents.

Board Action on:

Motion By: ___________________________ Postpone: ______________________
Second By: _________________________ Amend: _________________________
Vote: Yeas: __________ Nays: ________ Disapprove: ___________________
Approve: _________________________ Secretary: _______________________

Attachment 1 outlines the dollars that would be needed to bring 5 current faculty capped during the equity study to 90% of their market median, and Attachment 2 outlines the cost of bringing 10 current staff to 85% of their market median. The anticipated base salary cost of the recommended salary adjustments for faculty is $19,845 and $11,052 for staff.
<table>
<thead>
<tr>
<th>Job Title</th>
<th>Current Base</th>
<th>Adjusted Base</th>
<th>Market Median</th>
<th>15% Capped Equity Received</th>
<th>Planned % to Median</th>
<th>Salary as of July 1, 2014</th>
<th>% to Market Median as of July 1, 2014</th>
<th>Adjustment Amount to 85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergeant, Public Safety</td>
<td>$35,898.78</td>
<td>$35,898.78</td>
<td>$48,984.00</td>
<td>$5,384.82</td>
<td>87.5%</td>
<td>$41,283.60</td>
<td>84.3%</td>
<td>$352.80</td>
</tr>
<tr>
<td>Senior Administrative Asst</td>
<td>$23,985.00</td>
<td>$23,985.00</td>
<td>$32,905.60</td>
<td>$3,597.75</td>
<td>90.0%</td>
<td>$27,582.75</td>
<td>83.8%</td>
<td>$387.01</td>
</tr>
<tr>
<td>Senior Adm Asst</td>
<td>$24,008.20</td>
<td>$23,408.20</td>
<td>$32,905.60</td>
<td>$3,601.23</td>
<td>85.0%</td>
<td>$27,609.43</td>
<td>83.9%</td>
<td>$360.33</td>
</tr>
<tr>
<td>Sergeant</td>
<td>$36,056.70</td>
<td>$36,056.70</td>
<td>$48,984.00</td>
<td>$5,408.51</td>
<td>90.0%</td>
<td>$41,465.21</td>
<td>84.7%</td>
<td>$171.19</td>
</tr>
<tr>
<td>Senior Adm Asst</td>
<td>$24,055.65</td>
<td>$24,055.65</td>
<td>$32,905.60</td>
<td>$3,608.35</td>
<td>92.5%</td>
<td>$27,664.00</td>
<td>84.1%</td>
<td>$305.76</td>
</tr>
<tr>
<td>Library Tech Asst II</td>
<td>$22,841.00</td>
<td>$22,841.00</td>
<td>$32,905.60</td>
<td>$3,426.15</td>
<td>87.5%</td>
<td>$26,267.15</td>
<td>79.8%</td>
<td>$1,702.61</td>
</tr>
<tr>
<td>Senior Adm Asst</td>
<td>$23,153.00</td>
<td>$23,153.00</td>
<td>$32,905.60</td>
<td>$3,472.95</td>
<td>90.0%</td>
<td>$26,625.95</td>
<td>80.9%</td>
<td>$1,343.81</td>
</tr>
<tr>
<td>Executive Assistant</td>
<td>$28,392.35</td>
<td>$27,342.35</td>
<td>$43,18.40</td>
<td>$4,258.85</td>
<td>92.5%</td>
<td>$34,051.20</td>
<td>79.0%</td>
<td>$2,599.44</td>
</tr>
<tr>
<td>Sr Administrative Assistant</td>
<td>$23,088.00</td>
<td>$23,008.00</td>
<td>$32,905.60</td>
<td>$3,463.20</td>
<td>85.0%</td>
<td>$26,551.20</td>
<td>80.7%</td>
<td>$1,418.56</td>
</tr>
<tr>
<td>Director, Alumni Srvs</td>
<td>$51,500.04</td>
<td>$51,500.04</td>
<td>$72,252.00</td>
<td>$7,725.01</td>
<td>85.0%</td>
<td>$59,225.05</td>
<td>81.7%</td>
<td>$2,410.15</td>
</tr>
</tbody>
</table>

$11,051.66
## Faculty Capped Equity

<table>
<thead>
<tr>
<th>Faculty Rank</th>
<th>Base at time of Equity Study</th>
<th>Adjusted Base - Equity Study</th>
<th>Market Median</th>
<th>Equity Received - 15% Cap</th>
<th>New Base Jan. 1, 2014</th>
<th>Resulting % to Market Median</th>
<th>Planned % to Median</th>
<th>Projected Salary at 90% of Market Median</th>
<th>Adjustment to Bring Base to 90%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Professor</td>
<td>$55,000.00</td>
<td>$55,000.00</td>
<td>$81,187.00</td>
<td>$8,250.00</td>
<td>$63,250.00</td>
<td>77.9%</td>
<td>90%</td>
<td>$73,068.30</td>
<td>$9,818.30</td>
</tr>
<tr>
<td>Professor</td>
<td>$79,534.16</td>
<td>$79,534.16</td>
<td>$102,090.00</td>
<td>$11,930.12</td>
<td>$91,464.28</td>
<td>89.6%</td>
<td>93%</td>
<td>$91,881.00</td>
<td>$416.72</td>
</tr>
<tr>
<td>Professor</td>
<td>$67,498.18</td>
<td>$67,498.18</td>
<td>$86,787.00</td>
<td>$10,124.73</td>
<td>$77,622.91</td>
<td>89.4%</td>
<td>90%</td>
<td>$78,108.30</td>
<td>$485.39</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>$50,610.56</td>
<td>$50,610.56</td>
<td>$69,028.00</td>
<td>$7,591.58</td>
<td>$58,202.14</td>
<td>84.3%</td>
<td>92%</td>
<td>$62,125.20</td>
<td>$3,923.06</td>
</tr>
<tr>
<td>Professor</td>
<td>$59,767.27</td>
<td>$59,767.27</td>
<td>$82,149.00</td>
<td>$8,965.09</td>
<td>$68,732.36</td>
<td>83.7%</td>
<td>92%</td>
<td>$73,934.10</td>
<td>$5,201.74</td>
</tr>
</tbody>
</table>

**Total Cost:** $19,845.21
BOARD OF REGENTS
MOTION CONSIDERATION FORM

September 21, 2014
Open Session

I. Motion to be Considered:

Approve a lump sum salary payment for all current employees equivalent to their FY15 base salary deferred between July 1, 2014 and August 31, 2014.

II. Background:

At the time the Board of Regents considered the FY15 Operating Budget in June 2014, Governor Nixon had announced the withholding of the 5% increase in operating appropriations for higher education. The withholding of the full increase left a $1.7 million shortfall in the FY15 budget recommended by Budget Review Committee (BRC) and the President.

In order to balance the FY15 general operating budget and still fund program enhancements and required costs of continuing operations, the Board voted to assess an increase in incidental fees beginning with the Fall 2014 semester, defer approved salary increases until September 1, 2014, and identify one time funds from the University’s unrestricted, undesignated fund balance. These steps would provide the funding necessary to meet budget demands during the first six months of FY15, and allow the Board to consider other actions if changes occurred in state funding during the fiscal year.

On September 11, 2014 the Governor announced the release of the 5% withholding to higher education institutions. This equates to $2.15 million for Southeast, and will fully fund the FY15 operating budget approved by the Board. The budget included a 2.5% base merit salary increase for all employee groups, but the Board voted to defer the increase until September 1, 2014 in order to generate one-time dollars.

Recommended By:
Student Government
Faculty Senate
Administrative Council
VP, Finance & Admin.
VP, University Advancement

Chairperson
Dean
Academic Council
Provost
President

Board Action on:
Motion By:
Second By:
Vote: Yeas: Nays:
It is recommended that all current employees receive a lump sum payment equivalent to the amount of their base salary deferred between July 1, 2014 and August 31, 2014 in their next available pay cycle. For faculty, professional and administrative staff this would be included in their pay received September 30, 2014. Clerical/technical/service staff and bargaining units would receive their lump sum payment in the next biweekly pay issued October 3, 2014.

The anticipated cost of this lump sum pay adjustment is $178,000 with benefits.