

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
SPECIAL CALLED MEETING
Friday, June 3, 2022
10:00 a.m.**

****MEETING WAS CONDUCTED IN-PERSON AND BY TELECONFERENCE***

**Board of Regents Room
2nd Floor Julian M. Carroll Academic Services Building
Frankfort, Kentucky 40601
(Primary Physical Location)**

MINUTES

I. Call to Order

Chair Patton called the meeting to order at 10:03 a.m.

II. Roll Call

Elise Borne, Board Liaison, called the roll:

Regent Michael Adams	Present
Regent Tammi Dukes	Present
Regent Edward Fields	Present
Regent Ernie Fletcher, MD	Present
Regent Edward Hatchett, Esq.	Present
Regent Jason Moseley	Present
Regent Charles Moyer, Ph.D.	Present
Regent Gerald Patton, Ph.D.	Present
Regent Robert Ramsey	Present
Regent Jason Robinson	Absent
Regent Herman Walston, Ed.D.	Present

Regent Fletcher joined the meeting shortly after Roll Call.

Ten Regents were in attendance. Quorum was established.

III. Approval of Agenda

MOTION by Regent Moyer:

Move the Board to adopt the agenda of the June 3, 2022 Special Called Meeting of the Kentucky State University Board of Regents.

Seconded by Regent Hatchett and passed without dissent.

IV. Board Training by The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)

Dr. Belle Wheelan, President of The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), began her presentation by thanking the Regents for attending. Dr. Wheelan stated that accreditation is a comprehensive periodic review of an institution. Accreditation occurs every ten years with a review every five

years and was necessary to ensure continuous improvement, public confidence in the institution, and student access to federal financial aid.

Dr. Wheelan reported that SACSCOC was comprised of 77 trustees and the Board elects a 13-member executive council with the other members situated on the remaining committees. She then informed the Board that SACSCOC's principles of accreditation were categorized into 14 sections: Integrity; Mission; Basic Eligibility Standards; Governing Board; Administration and Organization; Faculty; Institutional Planning and Effectiveness; Student Achievement; Education Program Structure and Content; Education Policies, Procedures, and Practices; Library and Learning Information Resources; Academic and Student Support Services, Financial and Physical Resources; and Transparency and Institutional Representation. SACSCOC was initiating the engagement of new principles for boards to define and evaluate their responsibilities and for institutions to provide students with financial literacy skills.

Dr. Wheelan stated that the roles of the Board of Regents in accreditation were to act as a policy-making body; to hire, evaluate, and fire the CEO; and to maintain fiduciary responsibilities. Dr. Wheelan emphasized that it was important for the Board to refrain from acting as a management board over matters of the institution.

V. Update on House Bill 250

Greg Rush, Senior Fellow for the Council on Postsecondary Education, reported that CPE would provide training to the Board in July with regard to the Management and Improvement Plan. He then announced that CPE named Stephanie Mayberry as the liaison between CPE and Kentucky State University. Ms. Mayberry begins on June 16, 2022.

Regent Hatchett asked how CPE plans to certify KSU's financial stability. Mr. Rush replied that CPE was still in the process of defining that process but it would likely involve KSU's bond rating along with other criteria. Regent Hatchett also inquired about the status of enrollment management. Acting President Stamps responded that KSU currently did not have an enrollment management division but staff were currently doing everything they could to ensure that student enrollment was maintained. Travis Powell, General Counsel and Vice President of CPE, stated that KSU's enrollment numbers were down aligning with national trends. He further stated that housing applications were up. Acting President Stamps emphasized that KSU had to turn students down due to lack of housing.

Regent Adams asked at what point the Board would need to be alarmed by student enrollment numbers. Mr. Rush stated that Acting President Stamps and CFO Shields would be giving an update at an upcoming meeting to give the Regents an idea of enrollment numbers.

Regent Fletcher pointed out that some provisions of HB 250 did not allow for many internal controls and asked what changes would be made in this regard. Mr. Rush replied that business policies would be put into place and that the internal auditor and services of Proviti would be significant in the process. He emphasized that KSU and CPE were only six weeks into a three-year process and some of the issues would take time to resolve.

Regent Dukes asked if there would be a new accounting policy. Mr. Rush stated that there were a multitude of problems due to Banner and a lack of training. Some of the accounting issues would be addressed soon but some would require additional external assistance due to limited staff at KSU. Currently, KSU staff does not have time to both perform their job duties and implement controls.

Regent Walston asked if salary guidelines in number two of HB 250 included interim positions. Mr. Rush stated that the guidelines included everyone on payroll.

VI. Presentation and Update on the KSU Special Examination from the Auditor of Public Accounts (APA)

Farrah Petter, Assistant State Auditor, and Tiffany Welch, Executive Director of the Office of Special Examinations for APA, presented an update to the Board on the KSU Special Examination. Ms. Petter stated that the Special Examination resulted from HB1 and the purpose was to review the governance and fiscal activity of Kentucky State University from July 1, 2018 through June 30, 2021. To facilitate the Special Examination, The General Assembly appropriated \$200,000 for the cost. KSU can minimize excess billing by providing timely responses.

Ms. Welch stated that APA would stay present with KSU and provide recommendations about internal controls. She reported that that she had been working with Ms. Hannah Hale to coordinate KSU's document production and to schedule interviews. Ms. Welch thanked Ms. Hale for her work.

Ms. Welch explained that upon completion of the examination, a draft report would go to the President and Board Chair. KSU would be provided an opportunity to provide a response and that response would be included in the final report.

Regent Hatchett asked how likely it would be for KSU to be billed for additional charges above the appropriated amount. Ms. Welch stated that with open communications, KSU should be able to stay within its budget.

VII. Action Items

A. Approval of FY 2022-23 Tuition and Fees and Approval of FY 2022-23 Operating Budget.

After a robust discussion on the proposed tuition and fee structure and the operating budget for fiscal year 2022-23, specifically on the need for clarification on some of the numbers, it was decided to table these items for a future meeting.

MOTION by Regent Adams:

Move the Board to table the Approval of FY 2022-23 Tuition and Fees and Approval of FY 2022-23 Operating Budget.

Seconded by Regent Moseley and passed without dissent.

B. Approval to Request for Disbursement from CPE

MOTION by Regent Walston:

Move the Board to approve the request for disbursement from CPE.

Seconded by Regent Fletcher and passed without dissent.

C. Approval of Chiller Replacement

MOTION by Regent Adams:

Move the Board to approve the chiller replacement.

Seconded by Regent Fletcher and passed without dissent.

D. Approval of Back-up Boiler Replacement

MOTION by Regent Hatchett:

Move the Board to approve the back-up boiler replacement.

Seconded by Regent Adams and passed without dissent.

E. Approval of The Halls - Indoor Air Quality System Installation

MOTION by Regent Hatchett:

Move the Board to approve the back-up boiler replacement.

Seconded by Regent Adams and passed without dissent.

F. Approval of Mehr Fairbanks & Peterson Trial Lawyers, PLLC Amended Agreement

MOTION by Regent Hatchett:

Move the Board to approve the Mehr Fairbanks & Peterson Trial Lawyers, PLLC Amended Agreement.

Seconded by Regent Dukes and passed without dissent.

VIII. Discuss and Finalize Contractual Terms with The Registry Services for the Role of Interim President

Dr. Bryan Carlson and Dr. Richard Green from The Registry were present to take questions from the Board. Regent Moyer inquired about the time frame for the search process. Dr. Carlson stated that they have identified five veteran presidents for the position. He elaborated that veteran presidents were generally more interested in making altruistic contributions.

Regent Adams asked if there would be a performance bonus. Dr. Carlson stated that The Registry's business model was aimed towards creating expectations and the candidates were motivated more towards making a contribution. Regent Adams then asked when the candidates would be introduced. Dr. Carlson stated that they would forward the candidates today and the Board would be able to choose their top three picks to interview. Chair Patton stated that the goal was to make a decision by the end of June. President Stamps clarified that the candidate information would be provided to Chair Patton.

Regent Fletcher commented on the possibility of being flexible in the contract in case the Board received an outstanding candidate who might make a good permanent candidate.

Regent Hatchett asked what qualities The Registry considered in the candidates in

reference to House Bill 250 requirements. Dr. Carlson stated that they looked for experience with turn around success.

Regent Walston asked if Hillcrest would need to be repurposed back into a residence if a housing allowance was not provided. Attorney Lang stated that it would be the equivalent of allowing an independent contractor to stay there.

IX. Closed Session

MOTION by Regent Fields:

Move the Board to go into Executive Session to discuss pending litigation (KRS 61.810 (1)(c)).

Seconded by Regent Moseley and passed without dissent.

X. Open Session

MOTION by Regent Hatchett:

Move the Board to return to open session.

Seconded by Regent Dukes and passed without dissent.

XI. Closing Remarks

Chair Patton thanked everyone for their participation and noted that the Board had major issues to confront, primarily the selection of the interim president.

XII. Adjournment

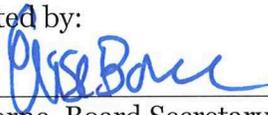
MOTION by Regent Fletcher:

Move the Board to adjourn.

Seconded by Regent Dukes and passed without dissent.

The meeting adjourned at 2:45 p.m.

Submitted by:



Elise Borne, Board Secretary
Kentucky State University
Board of Regents



Dr. Gerald Patton, Board Chair
Kentucky State University
Board of Regents

Approved with no corrections

Approved with corrections