

KENTUCKY STATE UNIVERSITY
Regular Meeting of the Board of Regents
1:00 p.m., July 31, 2015
Cooperative Extension Building, Conference Room
Frankfort, Kentucky
Regent Karen Bearden, Presiding

MINUTES

I. Call to Order:

Chairperson Karen Bearden called the meeting of the Kentucky State University Board of Regents (the "Board") to order on Friday, July 31, 2015, at 1:00 p.m.

II. Roll Call:

Due to the resignation of former secretary Lori Davis, President Raymond Burse conducted the roll call:

Regent Mindy Barfield	<i>Present</i>
Regent Karen Bearden	<i>Present</i>
Regent Elaine Farris	<i>Present</i>
Regent Diamond Gordon	<i>Present</i>
Regent David Guarnieri	<i>Present</i>
Regent LaVaughn Henry	<i>Present</i>
Regent Ekumene Lysonge	<i>Present</i>
Regent Elgie McFayden	<i>Present</i>
Regent Syamala H.K. Reddy	<i>Present</i>
Regent Charles Whitehead	<i>Present</i>
Regent Hettie Oldham	<i>Present</i>

All Regents were in attendance and a quorum was established.

III. Oath of Office for New Regents:

President Burse administered the oath of office to two new members of the Board, Regent Hettie Oldham (Staff Regent) and Regent Diamond Gordon (Student Regent).

IV. Opening Remarks:

Chairperson Bearden welcomed the attendees to the Board meeting.

V. **Approval of Minutes:**

Action: Regent Barfield made a motion to approve the minutes from the Board of Regents meetings held on April 24, 2015 and May 29, 2015. Motion was seconded by Regent Whitehead. The motion passed unanimously.

VI. **Approval of 2015-16 Board of Regents Quarterly Meeting Schedule:**

The 2015-16 Meeting Schedule was presented to the Board and the Board members reviewed the schedule.

Action: Regent Barfield made a motion to approve the meeting schedule and the motion was seconded by Regent Whitehead. Motion passed unanimously.

VII. **Ratification and Approval of Appointments:**

Chairperson Bearden yielded the floor to President Burse to offer recommendations for appointments. President Burse presented the following Presidential appointments to Cabinet-level positions for approval and ratification by the Board:

- A. Vice President for Academic Affairs: Lynda Brown-Wright, Ph.D., at the rank of Professor in the College of Arts and Sciences, Department of Behavioral and Social Sciences, with tenure
- B. General Counsel and Board Secretary: Gordon Rowe
- C. Vice President for Finance and Business Affairs: Curtis Creagh

Action: Regent Lysonge made a motion to approve and ratify the appointments. Motion was seconded by Regent Farris. The motion passed unanimously.

President Burse introduced each of the new Presidential appointments to the Board and summarized their prior experience.

VIII. **Board Officers Election:**

- A. Chairperson Bearden relinquished the Chair for purposes of election of Board officers. Vice Chairperson Whitehead opened the nominations for Chairperson.

Action: Regent Lysonge made a motion for Regent Karen Bearden to be re-elected as chairperson. Motion was seconded by Regent Farris. Regent Bearden was unanimously re-elected as chairperson.

- B. Regent Bearden resumed the chair and opened the nominations for Vice Chairperson.

Action: Regent Elgie McFayden made a motion for Regent Whitehead to be Vice Chairperson. The motion was seconded by Regent Henry. Regent Whitehead was unanimously re-elected as Vice Chairperson.

- C. President Burse recommended that Gordon Rowe be elected as Secretary of the Board.

Action: Regent Bearden accepted the recommendation and put the recommendation to a vote. The Board voted unanimously to elect Gordon Rowe as Secretary.

- D. President Burse also recommended that Curtis Creagh be elected as Treasurer of the Board.

Action: Regent Bearden accepted the recommendation and put the recommendation to a vote. The Board voted unanimously to elect Curtis Creagh as Board Treasurer.

President Burse turned over the secretary duties to the new Board Secretary, Gordon Rowe.

IX. Reports:

Academic Affairs Update:

2009 Cohort Report: Dr. Beverly Downing reported the 2009 Cohort as 409 students. As of July 31, 2015, 97 of the 409 students were projected to graduate, yielding a projected 23.7% graduation rate.

Regent Guarnieri recommended that the University should take a closer look at strategies that were successful to get the 97 students to graduate and try to ascertain what factors were determinative in relation to whether students graduated or not. Regent Farris emphasized the need to focus on graduation throughout each student's academic career and expressed concern that for the 2009 Cohort, the focus on graduation was not apparent until the end of the Cohort period.

President Burse reported to the Board that part of the strategy to improve retention and graduation rates going forward will be the consolidation of all academic support programs under one director and for the incoming class, the University will track student progress much earlier to identify students who are experiencing difficulty and implement strategies to help those students. He

cautioned the Board that it will probably take 4-6 years to see significant increases in graduation rates.

Regent McFayden inquired as to whether the University is tracking or could track the number of students who transferred or converted to part-time status, which he believed were two factors that might affect six-year graduation rates. President Burse responded that the University cannot track graduation rates for students who transferred out of the University and that the University does not "get credit" for the graduation of those students.

Regent Reddy inquired as to the biggest factors in the lack of success for the students in the Cohort who did not graduate. President Burse stated that the two biggest factors were financial issues and college-readiness upon entry to the University.

Regent Henry again inquired as to whether the number of students who transferred to other institutions is considered in calculating graduation rates. President Burse stated that it is not considered.

Regent Guarnieri inquired as to the effect of low graduation rates on accreditation. President Burse stated that there is no effect. In response to a question from Regent Reddy about the effect of graduation rates on funding to the institution from the state, President Burse stated that it has no effect on current funding but it could affect performance funding in the future.

2010 Cohort Report: Dr. Downing reported there were 477 students in the 2010 Cohort and 49 of those students had actually graduated, resulting in a "persistence rate" of approximately 10%. She stated that the final count for graduation rates will not be complete until the end of summer 2016.

Discussion ensued from Regent Whitehead and Regent Guarnieri as to the probable number of students who would graduate by the end of Summer 2016. Dr. Downing could not answer and stated that not enough analysis had been completed to date to make a valid prediction. She stated that she expected to have a better projection by the end of December 2015. President Burse stated that a significant number of students in the 2010 Cohort have completed 90 hours or more and have zero balances but were not currently enrolled in school. He stated that contacting those students and making sure they enroll for Fall Semester is a priority.

2011 Cohort Report: There were 464 students in the 2011 Cohort and 54 of those students had graduated as of May 15, 2015. Of students eligible to return to school, approximately 111 are on track to graduate within 6 years of entering school, based on the fact that those students have 60 hours or less to complete before they can graduate. Dr. Downing stated that there is an emphasis on

contacting these students to find out ways that the University can assist them in their efforts to matriculate through the University.

Regent Henry commended Academic Affairs for at least making an improvement in graduation rates and asked for historical data on prior Cohorts to track improvements.

No action was taken by the Board in regard to the Academic Affairs Report.

Student Affairs Update

Dr. Bennett introduced three new staff members:

1. Christopher Cribbs, Assistant Vice President;
2. Rochelle Owlsley, Director of Student Life; and
3. Deanna McDonald, Director of Housing.

Report on Student Debt

Dr. Bennett reported on national student debt rates and compared those rates to rates for KSU students. She reported that average student debt for the Class of 2014 was approximately \$33,000. Approximately 1781 KSU students filed a FAFSA for the 2014-15 school year. Seventy-nine percent (79%) of those students were loan borrowers. In that group, average debt per loan was \$26,213.97. The median loan debt was \$22,413. Dr. Bennett also discussed various strategies to address student debt, including default management services.

Regent Guarnieri asked about collections on student debt from Kentucky Department of Revenue. Vice President for Business Affairs Curtis Creagh addressed the question and reported that those collections were low.

Report on Registration/Enrollment Projections

Dr. Bennett stated that she projected Fall Semester enrollment to be approximately 1,810 based upon student balances (she expects students with low balances to enroll) and the number of students who have attended new student orientation programs.

Regarding registration, President Burse stated that one strategy for managing student debt is to disallow registration for students who have prior balances. Those prior balance amounts have been posted in various places so that students can easily access that information. He stated that overall the process of collecting on prior balances for student debt is improving.

Dr. Bennett reported that KSU's housing deposit of \$310 is one of the highest in the state. Regent Lysonge raised an issue regarding the housing deposit being lowered.

No Board action was taken on the Student Affairs Report.

Business Affairs and Audit Update

Curtis Creagh, Vice President for Business Affairs, reported to the Board, with Paul Edwards, Assistant Vice President, on various financial issues. Mr. Creagh presented current financials to the Board. Edwards discussed the Statement of Net Position. He stated that Accounts Receivable was reduced by \$7.1 million during the same time period in the previous year. He also reported that Grants Receivable was reduced \$2.7 million, while Student Accounts Receivable was reduced by \$4.4 million.

President Burse stated that for FY 2015, the University had an operating deficit of approximately \$5.8 million. He commented that bad debt is up and if it were taken out, the deficit would be substantially less.

President Burse also stated that total student debt is about \$13.1 million and approximately \$1.0 million is being actively collected by two collection agencies. The collection fees for those agencies are 25% to 33 1/3% of the amounts collected.

Mr. Creagh also provided a report to the Board on personnel in the Human Resources Department showing background and qualifications of the Human Resources team.

Mr. Creagh also stated that he is evaluating the operational efficiency of the Human Resources Department. Mr. Creagh stated that no supervisory skills training is currently available but he hopes to implement such training in the near future.

In response to questions from Regent Whitehead and Chairperson Bearden, President Burse stated that the University needs to do more in the area of training. Persons involved on search committees will have to be trained better in the future to make searches more consistent and productive. President Burse stated that a training officer is needed but currently no such person is employed by the University. He is also looking for ways to make the Human Resources Department more efficient.

Regent McFayden commented that Chairs of Academic Departments could do better in searches. President Burse stated that he has instructed Academic Affairs to identify permanent Chairs of Departments and provide them with appropriate training to run their departments. Chairperson Bearden stated that

the University should do a better job in making sure that the best candidates are chosen for open faculty positions.

Report on External Audit

Mr. Creagh reported that external auditors have stated that they have completed several components of their audit report, including planning and preliminary work. They still have open items on A/R and payroll. Mr. Creagh stated that information had been provided timely to the external auditors.

Final trial balance is due on August 7, 2015 and final week of field work is expected to be completed on August 17, 2015.

President Burse stated that he believes that the external audit seems to be on track. President Burse also warned the Board that pension numbers are likely to increase in October due to requirements that accounting procedures change. He will provide more information to Board members on this item in the future.

Regent Whitehead re-emphasized the need for a training officer at the University.

No Board action was taken in regard to the Finance and Audit Report.

External Relations and Development Update

Development Report

Max Maxwell, Interim Vice President for External Relations and Development, reported on the status of alumni giving. According to Mr. Maxwell, from July 1, 2014 through June 30, 2015, the University received contributions totaling \$451,215 from 840 contributors. Total contributions to the Capital Campaign for the University are currently \$6,395,966.

Mr. Maxwell also reported that his office sent out the second KSU postcard to alumni to inform and connect better with alumni. He also stated that the third edition of the Onward and Upward publication had been sent out and the publication was growing and getting better all the time. Mr. Maxwell also reported on initiatives designed to increase giving and alumni involvement, including a challenge to Greek-lettered organizations to increase donations through purchasing bricks for Cheaney Plaza. Maxwell also reported that he is continuing to plan activities for Homecoming and the Circle City Classic.

Mr. Maxwell also introduced new members of his staff, including:

1. Wendell Thomas, Director of Alumni Relations;
2. Katrisha Waldrige, Coordinator 1; and
3. Dedra McDonald, Communications Specialist.

Contributions Report

Mr. Maxwell reported that total alumni contributions in FY15 are up to \$193,492.89. Total corporate contributions are down this year. He cited the decrease in Toyota's corporate gift as the principal reason for the decrease in total corporate giving. Total foundation contributions are down for the year. Total number of contributors has increased from last year, though the total amount of contributions is down.

As part of the effort to improve relationships with the City of Frankfort, Mr. Maxwell stated that Frankfort Day will occur this year.

On request from Regent Guarnieri, Mr. Maxwell says that he will provide the Board with comparative data on contributions from the past 3-4 years, so that the Board will be able to compare current contribution levels to past contribution levels.

No Board action was taken in regard to the External Relations and Development Report.

Information Technology

Interim Chief Information Officer Wendy Dixie reported that TATA International has been chosen for the PeopleSoft implementation partner. She stated that the contract for the implementation was currently being negotiated. Once those negotiations are completed, Ms. Dixie predicted that it will take approximately 18 months to implement the Oracle PeopleSoft system and replace Banner as the University's Enterprise Resource Planning ("ERP") System.

No Board action was taken in regard to the Information Technology Report.

X. President's Report:

President Burse introduced Erin Wheeler as Assistant Vice President in Academic Affairs for Academic Support Services.

President Burse also reviewed 2015-2016 Board meeting schedule and requested that Board members review the schedule for other Board activities during the year. He discussed the August 21, 2015 convocation and pinning ceremony and invited Board members to attend. President Burse also encouraged Board members to attend the Governor's conference on post-secondary education on September 28-29, 2015.

President Burse discussed Circle City Classic events and encouraged Board members to attend.

President Burse encouraged Board members to join and participate in the Green Club and to encourage their friends and family to support the University's athletic teams and events.

No Board action was taken in regard to the President's Report.

XI. Closed Session

Action: Regent McFayden made a motion to go into closed session to discuss personnel matters, pending litigation and property acquisition, pursuant to K.R.S. 61.810 (Kentucky Open Meetings Act). The motion was seconded by Regent Whitehead at 2:32 p.m. The motion passed on a vote of 11-0, and the Board went into closed session at that time.

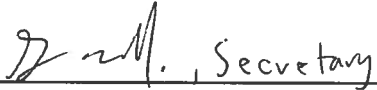
XII. Open Session

The Board reconvened in open session at 3:45 p.m. Chairperson Bearden reported that the Board took no action in the closed session.

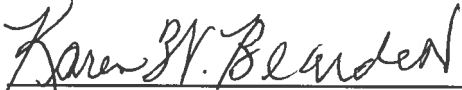
XIII. Adjournment

Action: Regent Whitehead moved to adjourn the Board meeting. Chairperson Bearden called for a vote on the motion to adjourn. The motion passed unanimously. Chairperson Bearden adjourned the meeting at 3:46 p.m.

Submitted By:



Gordon A. Rowe, Jr., Secretary
Board of Regents
Kentucky State University



Karen W. Bearden, Chairperson
Board of Regents
Kentucky State University

Approved with no corrections

Approved with corrections