

KENTUCKY STATE UNIVERSITY
Regular Meeting of the Board of Regents
1:00 p.m., June 29, 2017
Academic Services Building
Frankfort, Kentucky
Regent Karen Bearden, Presiding

MINUTES

I. Call to Order:

Chairperson Karen Bearden called the meeting of the Kentucky State University (“KSU” or the “University”) Board of Regents (the “Board”) to order on Thursday, June 29, 2017, at 1:02 p.m.

II. Opening Remarks:

Chairperson Bearden opened with brief, introductory remarks and welcomed all attendees.

III. Roll Call:

Secretary Gordon Rowe conducted the roll call:

Regent Ron Banks	Present
Regent Mindy Barfield	Present
Regent Karen Bearden	Present
Regent Elaine Farris	Present
Regent Derrick Gilmore	Present
Regent Paul Harnice	Absent
Regent Dalton Jantzen	Present
Regent Ekumene Lysonge	Absent
Regent Elgie McFayden	Present
Regent Syamala Reddy	Absent
Regent Ralph Williams	Present (via video)

Eight Regents were in attendance and a quorum was established.

IV. Approval of Minutes:

Action Item: Regent Farris moved to approve the minutes from the special Board meetings held on February 9, 2017, February 22, 2017, February 28, 2017, March 1, 2017, March 2, 2017, March 13, 2017, April 14, 2017, and May 31, 2017. The motion was seconded by Regent McFayden. The motion passed.

V. **Committee Reports:**

Academic Affairs

President Brown introduced a 3-pronged strategy to support academic outreach:

1. Merit support
2. Fully funding the existing vacant lines
3. KSU Thoroughbred Outstanding Professor (TOPs) initiative

The intention of TOPs is to hire purely exceptional candidates. Mr. Kevin Appleton will strategically fund this effort.

Action Item: Regent Farris made the motion to Kentucky State TOPS initiative. Regent McFayden seconded the motion. The motion passed.

President Brown introduced the Atwood Institute for Race, Education, and Democratic Ideals. There are several Institutes on race and education, some on policy and but none address the democratic idea. The President will forgo his compensation for private membership fees to support The Atwood Institute. Dialogue with several national foundations interested in funding this initiative has begun.

Action Item: Motion to approve the Atwood Institute was made by Regent Gilmore. Regent McFayden seconded the motion. The motion passed.

The Academic Calendar will be revised due to the closing of the Frankfort Convention Center's closing in October 2017. A major change will be to maintain our December graduation and add a third graduation because we do not have the space capacity to host a commencement for everyone as a whole since we are losing the Convention Center. The Faculty Senate will need to integrate this addition into the Academic Calendar.

Land Grant Director Kirk Pomper received notification of three capacity building grants. Our outreach grant is coupling with Alltech and Newport Aquarium. We are working on building a pipeline between Kentucky State University and high schools with a \$150,000 grant. Raceways is looking for production and Dr. Robert Durborow obtained another grant for \$600,000 to build fish apps. Approximately eleven capacity land grants were submitted and a number of those were collaborative efforts to build additional relationships between Land Grant and other departments. Commendations were given to Dr. Pomper for his continuous, progressive efforts.

President Brown has asked that all supplies codes be removed from the budget due to the abundance of supplies throughout campus. A central store will be created to better control our spending in this area.

Academic Affairs will review their areas to determine where support is needed. Program reviews have not been completed since 2014. Instead of eliminating programs in question, they will be suspended until evidence supports their return. Data will be prepared from Institutional Research and delivered to Academic Affairs and faculty to determine priorities and ensure alignment with the Faculty Handbook.

CPE Metrics Highlights:

1. Page 2 KR2.120 – Mandated programs were defined by CPE President Bob King and his team. The volume performance model will be discussed in the future and it is based on volume not percentage of Pell grant numbers.
2. Operational support on page 5. Ten percent (10%) of funding shall be allocated by facilities square footage. On July 6, 2017, we will meet with CPE on our metrics.

Chairperson Bearden made a request for simple documents describing what performance funding means to Kentucky State University.

There was a motion made by Regent Farris to recess for 5 minutes. The motion was seconded by Regent McFayden. Board recessed at 2:07 p.m.

Board reconvened at 2:15 p.m.

No additional action was taken on the Academic Affairs Committee report.

Enrollment Management and Brand Identity Committee

Admissions and Enrollment Update – Justin Mathis, Admissions Director, stated 145 students were enrolled in March and 452 students signed intent to enroll documents. Regarding students admitted in the 2+2 program, Dr. Wheeler explained that the program was intentionally implemented to be a pilot program and they are not counted in our cohort. The threshold on the 2+2 program will be discussed at the September Board meeting.

Media Report – Mr. Louis DeFreeze provided an update on brand identity. The new website is on administrative hold to assess the University's needs. KSU Gold TV show currently appears on cable 10 and reaches over 10,000 households. The show airs every Monday at 8:00 p.m. Vice President Clara Stamps is assessing our audience of alumni, students, and community, to determine our needs.

Finance and Administration Committee

Action Items: Motion for the Approval of Tuition and Fees for Academic Year 2017-2018 – a 5% increase. Regent McFayden moved to approve

the tuition and fees for academic year 2017-2018 and Regent Farris seconded the motion. The motion passed.

Action Item: Approval of Fiscal Year 2018 Budget – The FY18 budget is relatively flat based on 1750 students. FY17 closed with 1793 FTE, so the prepared budget is extremely conservative. An increase on the tuition gross line will generate an increase over last year's budget. The increase will be applied to personnel raises. President Brown indicated the itemized budget will be ready in September. **Regent Gilmore moved to approve the fiscal year 2018 budget. Motion passed.**

Chrissy Fiscus from Dean Dorton provided an update on the A133 Audit on federal grant money citing repeat findings of internal controls of financial reporting, which is the most severe finding. The conversion to Banner, staff turnover, and the lack of succession training contributed to the repeat findings. An area of improvement is the reporting of student accounts.

Highlighted findings are:

Page 76: Section findings on A-133 audit. Financial Aid. Direct Loan and returns of Title IV funds.

Page 77: Direct Loan requires monthly reconciliation. It is recommended that policies and procedures be developed to ensure this procedure is completed monthly.

Finding 3: Reporting changes in student's status are not reported in a timely manner.

Finding 5: Eligibility to participate in the Perkins Loan requires the cohort rate to be at least 50%. Institutions with less than 50% may lose eligibility to participate in the Perkins Loan. Kentucky State University's default is 40%.

Finding 6: In FY16, the catalog indicated Kentucky State University is an attendance taking institution. The finding indicates attendance was not reported. It is advised to not be an attendance taking institution.

Dean Dorton reported the University is required to report prior year findings. One finding was discussed with internal controls. The Board was alerted to a ledger error in 2016 and 11 journal entries. A summary of the return of Title IV funds was presented, including findings identified, resolved, and closed.

Vendor Payment Audit: The scheduled audit plan performed included a review of the vendor payment process and verification of payments made. Ingram Quick reported the following:

1. Lack of updated policies and procedures.
2. Lack of evidence
3. Improper procurement methods

A management action plan issued February 2017 citing the internal control structure was inadequate and needs to be updated. Mr. Appleton will prepare a payment schedule to avoid duplicate payments to vendors.

Action Item: Regent McFayden moved to approve the vendor payment audit. The motion passed.

Mr. Ingram Quick will present an annual audit plan in September.

Food Vendor Update: Ms. Sonia Sanders chaired the Food Services Committee and led the posting of a food services RFP. On May 15, 2017, recommendations received were placed on hold to reassess our needs. The Committee recommended the current food service with the current provider. An update will be provided in September.

External Auditor Update – We don't have a current status for FY17. We are currently working with Mr. Appleton.

HR Update – Open Enrollment for health insurance is underway. The 3% increase in insurance rates will be absorbed by the University instead of by employees.

Position reclassifications: Clarification of employee classification, exempt or non-exempt, will be finalized by October 1, 2017.

Audit on retirement accounts: Significant progress has been made to employee retirement accounts. HR Directors from all Kentucky Universities have been meeting to determine how to meet the shortfall. The next meeting for this discussion will be July 13, 2017.

Environmental Health and Safety Area: Compliance training will be on-going.

Drug testing – Beginning August 1, 2017, drug testing will be performed with employees. Insurance rates typically decrease because of preventative health measures. Mandatory physical examinations begin in March for identified areas.

Salary study - Consultants are being contacted and we are trying to couple our efforts with current RFP's with other state universities.

Governance Committee:

Action Items:

Board of Regents Meeting Schedule: It was moved by Regent McFayden to hold the Board of Regent meetings in the last month of the Quarter on the first Thursday, and Friday if needed. Motion passed.

Committee Restructuring: President Brown proposed to realign Board Committees to align with the strategic plan.

Regent McFayden moved to waive any bylaw issues that would preclude the change of committee names and approve the proposed names. Motion passed.

Institutional Advancement and Alumni Relations Committee:

Mr. Rick Smith, Interim Vice President for Institutional Advancement and Alumni Relations, gave an update on the Cheaney Plaza Brick Project. One hundred bricks have been sold.

Circle City Classic will be September 23, 2017, in Indianapolis, Indiana. 2017 is the third and final year of our current contract. An opportunity exists to extend two years.

Alumni Night at the Lexington Legends was hosted by Alumni Relations.

Endowment Update – Equities and Bonds: Betty Wrap, Fifth Third Bank, provided an update.

Student Engagement and Campus Life Committee:

Housing Update: One residence hall has been offline due to mold issues and is expected back online this fall. Comprehensive data indicates occupancy is at 79%. Summer conferences housed 201 students.

Dr. Thomas Calhoun will monitor the progress of the Student Handbook revision.

Homecoming 2017: Student activities will proceed as usual. Major activities will begin on Thursday.

Student Government Association: Concerns have been raised about students and their eligibility. An update will be provided in September.

VI. President's Report:

President Brown provided start dates for the recent administrative hires approved at the last Board Meeting. They are:

Mr. Kevin Appleton, Senior Vice President for Finance and Administration, June 19, 2017;
Dr. Debbie Thomas, Provost and Vice President for Academic Affairs, June 28, 2017;
Dr. Thomas Calhoun, Vice President for Student Engagement and Campus Life, July 5, 2017; and
Ms. Clara Stamps, Vice President for Enrollment Management and Brand Identity, July 5, 2017

Preparation has begun for SACSCOC in 2019. The Faculty Handbook, tenure, promotion, and reappointment must be fully compliant upon SACS review.

The Academic Deans structure needs to be revisited.

Facilities Planning: The University is in need of a natural gas pipeline Right-of-Way and we have no master plan. Discussion with the Frankfort Chamber of Commerce revealed there is a wonderful project called Walk by Frankfort, which also requires an easement and we have begun the process.

Going forward, Board members will receive a dashboard that allows tracking of graduation rates, enrollment, and other data with accuracy.

The Mission and Strategic Plan will be revised. The Strategic Plan will be modified to align with new divisions.

Additional items:

1. Supporting adult education, GED, Frankfort Independent and Franklin County schools, and charter schools may present a more revenue inspiring approach to dual enrollment.
2. Considering a baccalaureate commencement will provide an avenue to support religious freedom legislation.

VII. Closed Session:

Action Item: Regent Dalton Jantzen moved to go into Closed Session to discuss personnel matters, pending litigation, and property acquisition pursuant to KRS 61.810 (Kentucky Open Meetings Act). The motion passed. The Board went into closed session at 4:35 p.m.

VIII. Open Session:

The Board reconvened in Open Session at 5:19 p.m. Chairperson Bearden announced no action was taken in closed session.

IX. Adjournment

Regent McFayden moved to adjourn the Board meeting. The motion was seconded by Regent Gilmore. The motion passed. The Board Chairperson adjourned the meeting at 5:20 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