

BOARD OF REGENTS
for
KENTUCKY STATE UNIVERSITY



Special Called Meeting of the Board of Regents

Friday, June 3, 2022

10:00 a.m.

2nd Floor Julian M. Carroll

Academic Service Building

Frankfort, Kentucky 40601

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
SPECIAL CALLED MEETING**

***** Meeting Will be Conducted In-Person and by Teleconference*****

Friday, June 3, 2022

10:00 a.m.

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

Zoom Link: <https://kysu.zoom.us/j/98700993870>

Webinar ID: 987 0099 3870

Phone One-Tap: +13017158592,,98700993870# or +13126266799,,98700993870#

AGENDA

- | | |
|---|--|
| 1. Call to Order | Dr. Gerald Patton
Board Chair |
| 2. Roll Call | Ms. Elise Borne
Board Liaison |
| 3. Approval of the Agenda | Chair Patton |
| 4. Board Training by The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) | Dr. Belle Wheelan
President of SACSCOC |
| 5. Update on House Bill 250 | Mr. Travis Powell
VP/General Counsel of
Council on Postsecondary
Education

Mr. Greg Rush |
| 6. Presentation and Update on the KSU Special Examination from the Auditor of Public Accounts (APA) | Ms. Tiffany Welch
Executive Director of the Office of
Special Examinations, APA

Ms. Farrah Petter
Assistant State Auditor, APA |
| 7. Action Items | |
| <i>A. Approval of FY 2022-23 Tuition & Fees</i> | Dr. Gerald Shields, VP of Finance
and Administration/CFO |
| <i>B. Approval of FY 2022-23 Operating Budget</i> | Dr. Gerald Shields |
| <i>C. Approval to Request Disbursement from CPE</i> | Dr. Gerald Shields |

<i>D. Approval of Chiller Replacement</i>	Paul Cable Director of Capital Planning and Facilities Management
<i>E. Approval of Back-up Boiler Replacement</i>	Paul Cable
<i>F. Approval of The Halls - Indoor Air Quality System Installation</i>	Paul Cable
<i>G. Approval of Mehr Fairbanks & Peterson Trial Lawyers, PLLC Amended Agreement</i>	Attorney Lisa Lang General Counsel
8. Information Items	
<i>A. Discuss and Finalize Contractual Terms with The Registry Services for the Role of Interim President</i>	Dr. Clara Ross Stamps Acting President
9. Closed Session	
<i>A. Pending Litigation (KRS 61.810 (1)(c))</i>	Chair Patton
10. Public Action(s)	Chair Patton
11. Closing Remarks	Chair Patton
12. Adjournment	Chair Patton

Kentucky State University Board of Regents
2022-23 Quarterly Meeting Dates
July 15, 2022
October 12, 2022
January 11, 2023
April 12, 2023

Update on House Bill 250



Kentucky Council on Postsecondary Education

Andy Beshear
Governor

100 Airport Road
Frankfort, Kentucky 40601
Phone: 502-573-1555
<http://www.cpe.ky.gov>

Aaron Thompson, Ph.D.
President

June 1, 2022

Legislative Research Commission
Interim Joint Committee on Education
700 Capitol Avenue
Frankfort, KY 40601

Dear Members of the Interim Joint Committee on Education:

Thank you for your continued support of Kentucky State University (KSU) to ensure it has the resources, flexibility and structure it needs to be successful. House Bill 250 as passed during the 2022 Regular Legislative Session directs the Council on Postsecondary Education (CPE) to provide reports to the Interim Joint Committee on Education detailing the status of the development, implementation and results of a management improvement plan.

In order to comply with this requirement and support KSU, the Council submits the enclosed information. Should you have questions about the report or KSU in general, please contact CPE Vice President and General Counsel Travis Powell via email at Travis.Powell@ky.gov.

As your partner in postsecondary education, I look forward to continuing to work closely with KSU leadership, faculty and staff to ensure the university thrives.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Thompson".

Aaron Thompson, Ph.D.
President

cc: Ms. Jo Carole Ellis



Management Improvement Plan – Development Phase Update

Kentucky State University

June 1, 2022

Background

Effectively immediately upon the Governor's signature on April 8, 2022, HB 250 provided the Council on Postsecondary Education (CPE) with \$23 million in emergency funding to cover Kentucky State University's (KSU) current year shortfall. HB 250 also set forth a myriad of duties and responsibilities for KSU and CPE related to KSU's recovery. Among those was the requirement that CPE create and oversee a Management Improvement Plan (Plan) for KSU designed to assist with organizational and financial stability. The Plan shall include, but is not limited to, the following:

1. A comprehensive cataloging and review of university policies and procedures to ensure efficiency and compliance with state and federal law;
2. Guidelines for salary ranges and benefits for all faculty, staff and administrators;
3. Mandatory board member training and development, including but not limited to financial oversight and effective committee structure;
4. Academic program offerings, course offerings and faculty productivity guidelines;
5. Accounting and fiscal reporting systems, collections, budget, and internal controls over expenditures and financial reporting;
6. Student success and enrollment management strategies;
7. Student academic progress and results; and
8. Development of online curricula with the intent of offering bachelor's and master's degrees online.

On April 15, 2022, pursuant to SB 265 (2022), newly appointed KSU Board of Regents members were confirmed by the Senate. Also on April 15, 2022, CPE adopted a KSU Expenditure Approval Policy to effectuate the HB 250 requirement that CPE approve all KSU expenditures over \$5,000 until declaration of KSU's financial stability. CPE also approved a disbursement of \$17.5 million of the \$23 million authorized to allow KSU to meet its current year financial obligations.

On April 27, 2022, the KSU Board of Regents held its first meeting with the newly confirmed members. During that meeting several items of business were conducted, including the selection of a chair and vice chair. CPE Vice President and General Counsel Travis Powell provided an overview of HB 250.

On May 9, 2022, the board met again and action was taken to engage Protiviti Government Services, Inc. (a subsidiary of Robert Half International) for assistance with the compilation of annual financial statements for both fiscal years 2021 and 2022. The board also approved the hiring of The Registry Advisory Services to provide candidates for the position of interim president. The board indicated its plans to have candidates to review at its next meeting in early June. In addition, a new financial exigency policy was adopted per the requirements of HB 250.

At its regular meeting on June 17, 2022, CPE will consider and likely approve a final FY 2022 disbursement of the \$23 million allocated in HB 250.

Additional requirements contained in HB 250 include:

- CPE shall submit the Management and Improvement Plan to the Legislative Research Commission by November 1, 2022; and
- By June 1 and November 1, 2022, and by June 1 and November 1 of each year thereafter the Plan is in effect, CPE shall provide reports to the Interim Joint Committee on Education detailing the status of the development, implementation and results of the Plan.

Management and Improvement Plan Development Update

The following is an update on the development of each Plan area:

1. A comprehensive cataloging and review of university policies and procedures to ensure efficiency and compliance with state and federal law

KSU legal counsel completed a draft of a Policy on Policies, which will be submitted to the KSU Board of Regents for consideration of adoption at its July meeting. The Policy on Policies outlines procedures for developing, revising and implementing all internal University policies. A Policy on Policies is essential for any large organization with multiple policies governing multiple areas of operation to provide transparency, consistency and accountability. CPE staff reviewed the policy and supports its adoption by the board.

KSU legal counsel also is currently developing a policy template to be included in the Policy on Policies, as well as a cataloging system for policies. All university policies are being collected and reviewed, and all policies that will be in effect moving forward will be revised and approved per the Policy on Policies. For example, human resources policies will be reviewed and updated in July, and the student handbook will be reviewed and updated before the beginning of the fall 2022 semester. The faculty handbook and business manual also are currently being reviewed, and revised versions will be submitted for approval in the fall. Both KSU and CPE legal counsel will review policies for compliance with state and federal law, and if necessary, due to the specialized nature of the policy's subject matter, KSU will obtain specialized, independent legal expertise to assist in the review process.

2. Guidelines for salary ranges and benefits for all faculty, staff and administrators

KSU provided CPE with an up-to-date Excel spreadsheet listing all employees with data including, but not limited to, hire date, job title, department, business unit, faculty rank and tenure status, salary, and benefits. This report can be run at any time and updated in short order. CPE staff currently are reviewing that data and determining what additional data elements are needed, if any. Once finalized, this report will allow CPE to ascertain the current salary ranges by title, tenure status (for faculty) and within departments. CPE also is in the process of obtaining information on KSU adjunct professor pay and faculty overload pay structure.

Soon, CPE will begin collecting information on salary ranges and benefits from the benchmark institutions used in CPE's KSU Financial Assessment Report issued in November 2011 and other Kentucky public universities so that comparisons can be made. KSU is a member of the College and University Professional Association for Human Resources which provides salary and benefit information from other member institutions (92% of all doctoral-granting institutions); this will be an indispensable resource in the benchmarking process. Finally, the creation of a balanced

budget for FY 2023 and determinations on course and program offerings will provide the most critical parameters under which salaries and benefits must be set.

Discussions about whether to engage an outside consultant to provide some level of review and analysis in this area are ongoing. Based on preliminary information obtained, a full review by an outside consulting firm, including recommendations, may be cost prohibitive. However, other options are available, such as supplementing the work of current staff with a part-time or contract employee with experience in campus human resources.

3. Mandatory board member training and development, including but not limited to financial oversight and effective committee structure

KRS 164.020(25) currently requires that all governing board members receive six hours of training on a variety of topics related to trusteeship and the higher education landscape in Kentucky. These are delivered both online and in person; although, since Spring 2020, all training has been facilitated through online modules due to COVID-19. Updates to those online modules will be made in early June and then distributed to the new KSU Board of Regents members for completion. The training is broken down into areas covering CPE operations, CPE's statewide strategic agenda and general best practices for institutional governing boards.

While CPE will encourage KSU Board of Regents members to engage with those online modules immediately, CPE is in the process of working with KSU and the Association of Governing Boards to provide in-person training to the KSU board this summer or early fall. During that training, the board will discuss financial oversight best practices and effective committee structure, along with general principles of effective board services. CPE is considering the development of a standard mandatory training for all new KSU Board of Regents members outlining the findings of CPE's fiscal analysis and issues that led to the current financial crisis.

The KSU Board of Regents currently has seven committees: Academic Affairs, Brand Identity and University Relations, Executive and Audit, Finance and Administration, Governance, Institutional Advancement and Alumni Relations, and Student Engagement and Campus Life. Those committees have not met for some time; however, on May 9, the board approved appointments to the Audit, Finance and Administration, Academic Affairs, and Student Engagement and Campus Life committees. CPE currently is in the process of reviewing the structure and charge of those committees.

4. Academic program offerings, course offerings and faculty productivity guidelines

Pursuant to KRS 164.020(16), CPE may eliminate academic programs at any institutions when accounting for certain statutorily defined factors. CPE has carried out an extensive statewide academic program review process over many years and in a variety of forms. In 2019, CPE conducted a comprehensive analysis of baccalaureate programs offered by public institutions in the state through a contract with Gray Associates. Gray Associates assisted Council staff in creating a methodology that provides campuses with consistent, detailed information to help guide decisions about program needs and improvement. The marginal financial contribution and more than 50 metrics related to student demand, employment and competition were calculated for each program. Campus representatives participated in facilitated workshops to review these data and

analyze each baccalaureate program. CPE also used this data analysis to operationalize unnecessary duplication and identify programs that met the criteria.

In alignment with the CPE academic program review process and its continuing relationship with Gray Associates, KSU is in the process of providing economic data to evaluate program efficiencies down to the course level. The economic data allow institutions to categorize program offerings into the following categories: Sustain, Fix/Grow and Suspend to Close. To better facilitate this process, a member of the Gray Associates team will be on-site at KSU to assist in the retrieval of data from May 31 to June 2. Once all data are retrieved and verified, Gray Associates will generate a report on program viability to be shared with KSU and CPE. The project should be complete by July 2022. The cost of the analysis is being covered by the remaining funds in the current contract.

Regarding faculty productivity guidelines and course offerings, CPE staff provided a presentation to the KSU provost on a process to gather data on the courses faculty teach, the number of credit hours generated in those classes and the total number of students. Once compiled, these data can be compared to benchmarks set for institutions based on size of the institutions, type of courses offered, course level, etc. CPE continues to work with KSU to obtain this information. Evaluating course offerings also was discussed during that presentation. KSU's current course catalog outlines numerous course offerings; of the courses listed, it is suspected that many are rarely offered, if ever. Having such a course catalog puts pressure on faculty and the institution to provide too many courses over the course of an academic year. In addition, it confuses students and advisors who are attempting to map out a timely path toward a degree. For example, as part of a minor in International Studies that requires 18 credit hours, 15 of those hours must be obtained from a selection of almost 50 courses, most if not all of which are comprised of three credit hours. CPE continues to work with KSU to gather more data in this area.

5. Accounting and fiscal reporting systems, collections, budget, and internal controls over expenditures and financial reporting

In December 2021, KSU contracted with Ellucian Company L.P. to analyze the KSU Banner implementation and to make recommendations related to staff training, data cleansing, etc. This contract was in response to a recommendation in the Financial Assessment report issued by CPE in November 2021.

The scope of the engagement with Ellucian includes the following modules in Banner:

- Accounts Receivable;
- Finance;
- Financial Aid;
- Student Information;
- Student Curriculum Management System;
- Student Records System;
- Student Registration System; and
- Enrollment Management.

The results of this analysis will be incorporated into the Management Improvement Plan. While the focus of this project is on this portion of the Plan, it is expected that there will be recommendations for process improvements in other areas as well.

The analysis of the Finance system was completed on May 18, 2022, and the recommendations are currently under review by the university. The review of the Financial Aid system is expected to begin within the next two weeks, and the review of all areas ideally will be complete by fall 2022.

As of the date of this report, KSU has not been able to complete financial statements for fiscal year 2021 and is not prepared to issue draft statements for fiscal year 2022 on time. This is the result of significant turnover in accounting leadership at the university over the past eleven months. To address this, the KSU Board of Regents contracted with Protiviti Government Services for accounting staff and support from May through September 2022. This contract will allow the university to quickly complete financial statements for fiscal years 2021 and 2022 in time for its scheduled financial audits. CPE supports this decision and will monitor the contract and preparation of the statements for each fiscal year.

The support provided by the contractor during this four-month period will give the university time to recruit permanent accounting management personnel and put the university back on a financial reporting schedule.

While further financial reports are under development, and the newly appointed KSU Board of Regents Finance Committee will be engaged in this process when they begin to meet, the Council is required to provide a monthly update on the financial status of the university to the governor and the General Assembly, per HB 250. The Council's first update for the month of May will be provided no later than June 15, 2022. CPE staff worked with the KSU chief financial officer (CFO) and will receive the following information for that update:

- Revenue and Expenditure detail for each of the following funds (including comparisons to the budget and to the prior year):
 - Education and General Fund;
 - Land Grant Match;
 - Auxiliaries; and,
 - Asset Preservation.
- Payroll registers for each payroll in the month.
- Cash balances as of the end of the month.
- Revenue Anticipation Note balances as of the end of the month, or any other short term.
- Aging schedule of payables as of the end of the month.
- Student receivables as of the end of the month.
- Investment account balances (endowment) as of the end of the month.

HB 250 also requires CPE to approve all KSU expenditures of \$5,000 or more until the institution reaches financial stability, as determined by CPE. On April 15, 2022, CPE adopted a policy governing those approvals that requires certain information to be provided before approval (see Appendix A). Due to the requirements of that policy, certain internal controls have been adopted, including but not limited to review of procurement authority underlying the expenditure, budgeted amount remaining after expenditure, and approval of both the CFO and president before submission to CPE.

6. Student success and enrollment management strategies

KSU is actively engaged in several student success initiatives in partnership with the CPE and its Kentucky Student Success Collaborative (KYSSC). These include the following:

- **Kentucky Purpose First Initiative:** KSU is a member of a nine-campus cohort in the Purpose First initiative to ensure greater social mobility for minoritized communities. KSU is receiving technical assistance from Complete College America to implement a Purpose First model to accelerate career exploration, planning and pathways on campus.
- **Kentucky Network Demonstration Project:** KSU is a member of a nine-campus cohort in the Network Demonstration Project with a common goal of creating a holistic advising philosophy and developing a master advisor training. KSU is receiving technical assistance through Jobs for the Future (JFF) to implement the advising professional development on campus and participate in an Information Technology audit for maximization of technology to support advising.
- **Student Basic Needs Community of Practice:** KSU will be invited to participate in a year-long continuous improvement project to advance several strategies that increase access to institutional, community and public benefits for current and future students. KSU will receive technical assistance from Education Trust to complete an asset map/accessibility audit of student basic needs resources, as well as a report issuing recommendations.

Earlier this year through an engagement with CPE and KYSSC, KSU received technical assistance from national advising services providers through participation in the Kentucky Network Demonstration Project with JFF. One benefit of this initiative is deployment of the Institutional Transformation Assessment (ITA), an online perspective gathering survey designed to gather input from diverse campus stakeholders and lead to a dynamic sense-making conversation to explore new insights that spur action related to student success. The ITA was deployed with a KSU Transformation Team made up of diverse stakeholders across campus who then convened three in-person meetings in February and March to reflect and discuss. These sense-making conversations were facilitated by a national partner with expertise in student success and institutional change.

As a result of this process, the following four priorities were identified, and action steps were developed for each:

1. Improve leadership and culture around student success;
2. Provide guided pathways for career exploration and success for all students;
3. Develop, implement and sustain a streamlined student advising process; and
4. Improve a holistic information technology system connecting faculty, staff and students.

When new leadership is in place, CPE will continue to explore these priorities in more depth and refine the resulting action steps.

In partnership with KSU, CPE and KYSSC are working to support the following initiatives that relate to the priorities identified through the ITA. External funding is being sought to further enhance these initiatives:

- Develop comprehensive and standardized guided career pathways for all academic programs leading to efficient time to degree and enhanced economic mobility for students.
- Develop a holistic and intrusive advising model with required training and mentoring for all advisors to ensure students receive essential supports for academic and non-academic success.
- Create, coordinate, communicate and connect students with robust basic needs-related supports to provide a safety net for student success leading to increased retention and completion.

Regarding enrollment management, CPE is evaluating KSU's current work in this area. Currently, KSU has no coordinated enrollment management function and no direct leadership in this area; this is an area of concern to be raised with the new interim president upon his or her arrival on campus.

The status of fall 2022 enrollment as compared to fall 2021 is as follows:

Completed Application	Fall 2021	Fall 2022
First Time Freshmen	2509	2384
New Graduate	25	25
Transfer	119	103

Admit	Fall 2021	Fall 2022
First Time Freshmen	2528	2349
New Graduate	20	20
Transfer	75	60

Registration	Fall 2021	Fall 2022
Undergraduate	888	733
Graduate	29	32
Dual Credit	1	1
Total Registered	918	766

	Fall 2021	Fall 2022
Housing Application	325	327

7. Student academic progress and results

As part of its 2022-2030 Statewide Strategic Agenda for Kentucky Postsecondary Education, CPE set 2024 targets for all universities except KSU in the following areas:

- Unmet Financial Need;
- Time to Bachelor's Degree;
- Undergraduate Enrollment;
- Undergraduate Degrees/Credentials;
- Graduate Degrees;
- First to Second Year Retention Rate; and

- Six-Year Graduation Rate.

CPE is in the process of negotiating 2024 targets with KSU for its annual evaluation per CPE’s Policy for Diversity, Equity and Inclusion. These includes targets for:

- Degree/Credentials Conferred for both Low-Income and Underrepresented Minority (URM) Students;
- Six-Year Graduate Rate for both Low-Income and URM Students;
- First to Second Year Retention Rate for both Low-Income and URM Students; and
- Enrollment of Underrepresented Students.

CPE also is considering other metrics to better assess academic progress in the short term for evaluation of progress before the November 1, 2025 Plan report deadline. These include, but are not limited to, average credit hour accumulation by student classification, gateway course completion rates of freshman, average GPA and average credits to degree.

8. The development of an online curriculum with the intent of offering bachelor's and master's degrees online

KSU currently offers the following bachelor’s degree programs 100% online:

- Liberal Studies;
- Criminal Justice;
- Computer Science; and
- Psychology.

KSU currently offers the following master’s degree programs 100% online:

- Special Education with Learning and Behavior Disorder;
- Business Administration; and
- Environmental Studies.

CPE is in the process of working with KSU to evaluate those programs and understand more about their quality, effectiveness and profitability. CPE’s contract with Gray Associates to perform academic program review will assist in evaluating these programs, but also will include a market analysis component to assist in the evaluation of new potential opportunities in the online market.

Overall, current trends over the past five years indicate a general increase in both hybrid (on-campus and online) and online enrollment as shown below:

Year	On-Campus Enrollment	Hybrid Enrollment	Online Enrollment
2017	549	542	31
2018	489	562	19
2019	525	614	17
2020	451	911	31
2021	170	1,061	108

CPE staff also have begun gathering information around institutional engagement with external partners that assist in facilitating the growth of highly competitive, accelerated, fully online programs at institutions. These external partners make a significant investment in building out programs with partner institutions working with faculty to expand programs online, provide instructional design as needed, market and recruit students, and then provide students supports after enrollment. Typically, this is done at no cost to the institution with an agreement to share in the revenue derived from those programs. This model, which has been implemented in Kentucky and across the country with a large degree of success, has potential for KSU.

Next Steps

While HB 250 does not require KSU consultation or Board of Regents approval of CPE's KSU Management and Improvement Plan, engagement with KSU staff and its board is critical in obtaining buy-in for Plan implementation and achieving ultimate success toward benchmarks and goals. The KSU board is in the process of selecting a new interim president, and once that occurs, CPE staff will work with this individual and board leadership to create workgroups comprised of both CPE and KSU representatives to create a plan and related goals and objectives for each Plan area. Only through a true collaborative partnership between KSU and CPE can KSU be successful in meeting the goals of HB 250.

Appendix A

Kentucky State University Expenditure Approval Policy

HB 250 (2022)

Approval Date: April 15, 2022

Effective Date: April 15, 2022

Purpose

As part of the responsibilities granted to the Council related to Kentucky State Universities (KSU) in [HB 250 \(2022\)](#), Section 1(1)(c) of states the following:

The Council on Postsecondary Education shall approve any Kentucky State University expenditure greater than \$5,000, and the university shall provide a monthly report of university finances to the council in the format requested by the council. The council shall provide a monthly update on the financial status of the university to the Governor and the Legislative Research Commission. The financial oversight granted to the council under this paragraph shall continue until the council reports to the Governor and the Legislative Research Commission that the university's finances are stable;

Policy

KSU shall submit request for any expenditure of funds over \$5000 to Council staff at a designated email account for review and approval. Each request shall include the following information and shall be signed by both the Chief Financial Officer and President of the institution.

1. Brief Description and Justification of Requested Expenditure
2. Originating Department
3. Programmatic Contact (with contact information)
4. Budget Unit
5. Amount Remaining in Budget Unit after Purchase
6. Funding Source
7. Procurement Method (if applicable)
8. Payment Due Date (if applicable)
9. Vendor (if applicable)
10. Contract Number (if applicable)
11. Payment Method
12. Supporting Documentation (if applicable)
13. Board of Regents Approval Date (if applicable)

All contracts and personnel actions must be approved by the KSU Board of Regents or designated Committee before resulting expenditures will be approved. Contracts and personnel obligations occurring before the effective date of HB 250, April 8, 2022, will be considered approved by the KSU Board of Regents.

CPE staff may contact KSU with any questions or clarifications regarding the request. Requests may be revised or withdrawn at any time.

If the request is denied, CPE staff will outline the deficiencies in the request and KSU may resubmit upon correction.

If the request is approved, CPE staff will notify the KSU CFO and provide authorization for the expenditure in KSU's accounting system.

Final approval or denial will be provided at the Vice Presidential or Presidential level at CPE.

Reporting

CPE shall provide monthly reports of approved expenditures of KSU to the CPE Executive Committee on or before the 15th of the month following the close of the prior month. A report of KSU's financial status shall also be provided monthly to the CPE Executive Committee, the Governor and the Legislative Research Commission.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7A

ACTION ITEM:

Approval of Fiscal Year 2022-2023 Tuition and Fees.

FACTS:

In 2021, the Council for Postsecondary Education approved a tuition structure which allows for no more than a 3% increase over two years and no more than 2% in any one year. KSU was the only CPE institution that did not increase tuition last year.

BUDGETARY IMPLICATIONS:

The campus recommends a one percent (1%) increase in tuition. The proposed fee structure includes realigned meal plan and housing rates. These amounts are in line with sister institutions within the Commonwealth of Kentucky.

RECOMMENDATION:

VP/CFO Shields recommends that the Board of Regents approve the Fiscal Year 2022-2023 Tuition and Fees.

MOTION:

Approve Fiscal Year 2022-2023 Tuition and Fees.

Tuition and Fees Proposal

		<i>Current</i>	<i>Proposed 1%</i>				
Resident							
	12-18 Hours	\$ 3,850	\$ 4,235				
	19 Hours	\$ 4,170	\$ 4,587				
	20 Hours	\$ 4,490	\$ 4,939				
	21 Hours	\$ 4,810	\$ 5,291				
Non-Resident							
	12-18 Hours	\$ 5,775	\$ 6,353				
	19 Hours	\$ 6,255	\$ 6,881				
	20 Hours	\$ 6,735	\$ 7,409				
	21 Hours	\$ 7,215	\$ 7,937				
Per Credit Hour				Per Credit Hour			
Resident:				<i>SUMMER</i>	<i>MAYMESTER</i>	<i>WINTERMESTER</i>	
	Undergraduate	\$ 325	\$ 358	\$ 358	\$ 358	\$ 358	
	Graduate	\$ 420	\$ 462	\$ 462	\$ 462	\$ 462	
Non-Resident:							
	Undergraduate	\$ 488	\$ 537	\$ 537	\$ 537	\$ 537	
	Graduate	\$ 630	\$ 693	\$ 693	\$ 693	\$ 693	
Online:							
	Undergraduate	\$ 400	\$ 440	\$ 440	\$ 440	\$ 440	
	Graduate	\$ 500	\$ 550	\$ 550	\$ 550	\$ 550	
	Dual Enrollment High School	\$ 91					
	Dual Enrollment Math 115	\$ 27					
	Dual Enrollment English	\$ 27					

		<i>Current</i>	<i>Proposed</i>		
Residence Hall					
	Single (15%)	\$ 2,220	\$ 2,553		
	Double (10%)	\$ 1,670	\$ 1,837		
	Triple (10%)	\$ 1,620	\$ 1,782		
	Suite (30%)	\$ 2,120	\$ 2,756		
	*New Dorm			\$ 3,500	
	*Hotel	\$ 2,120		\$ 2,818	

		<i>Current</i>	<i>Proposed</i>		
Meal Plans					
Commuter Meals:					
	Plan A \$355 declining balance	\$ 335	\$ 355		
	Plan B \$490 declining balance	\$ 460	\$ 490		
	Plan C \$620 declining balance	\$ 570	\$ 620		

	FALL	SPRING	FY22-23
	\$ 12,656,436.00	\$ 14,310,903.50	\$ 26,967,339.50
<i>less 200</i>	\$ 10,321,517.50	\$ 11,975,985.00	\$ 22,297,502.50

*CALCULATED USING ENROLLMENT OF 1452

** Approximately 90 students from Fall 2018 will be eligible for the flat tuition rate**

10%

On-Campus:		
	Current	Proposed
14 Weekly meals w/\$500 declining	\$ 1,675	\$ 1,843
Mandatory Fees		
Activity Fee	\$ 170	\$ 170
Asset Preservation Fee- Per Semester - Resident/Non	\$ 150	\$ 150
Asset Preservation Fee- Per Credit Hour (part time)	\$ 10	\$ 10
Homecoming Fee (Fall semester)	\$ 50	\$ 50
Safety & Security fee- Per Semester- Resident/ Non	\$ 50	\$ 50
Safety & Security fee- Per Credit Hour (part time)	\$ 10	\$ 10
Technology fee- Per Semester- Resident/Non	\$ 155	\$ 200
Technology fee- Per Course (part time)	\$ 30	\$ 40
Other Fees		
Application Fees:		
Undergraduate	\$ 30	\$ 40
Graduate	\$ 30	\$ 40
International	\$ 100	\$ 100
Graduation Fees:		
Undergraduate	\$ 75	\$ 100
Graduate	\$ 125	\$ 150
Payment Plan	\$ 35	\$ 50
Reinstatement Fee	\$ 50	\$ 50
Orientation Fee	\$ 189	\$ 200
Late Registration	\$ 100	\$ 100
Enrollment Deposit	\$ 50	\$ 50
Diploma Replacement (Undergraduate)	\$ 13	\$ 20
Diploma Replacement Cover (Undergraduate)	\$ 20	\$ 30
Diploma Replacement (Graduate)	\$ 20	\$ 30
Diploma Replacement Cover (Graduate)	\$ 40	\$ 50
Housing Reservation Fee	\$ 100	\$ 150
Laundry Fee	\$ 50	\$ 50
ID Meal Replacement	\$ 20	\$ 25
Nursing Student Liablilty	\$ 16	\$ 25
Nursing Student Drug Screening	\$ 50	\$ 50
Returned Check Fee	\$ 50	\$ 50
Transcript Fee	\$ 10	\$ 10
Thesis	\$ 30	\$ 40
Course Fees		
Biology	\$ 30	\$ 50
Art:	\$ 30	\$ 50
	\$ 10	\$ 25

	\$	50	\$	70
	\$	75	\$	100
Aquaculture	\$	30	\$	50
Chemistry	\$	35	\$	55
Music:	\$	75	\$	100
	\$	50	\$	70
	\$	25	\$	50
Applied Information Technology	\$	20	\$	40
Computer Science	\$	15	\$	30
Nursing	\$	300	\$	350
Physical Science	\$	20	\$	40
Physics	\$	20	\$	40
Social Work	\$	98	\$	100



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7B

ACTION ITEM:

Approval of Fiscal Year 2022-2023 Operating Budget.

FACTS:

A balanced budget is generally recommended to the Board of Regents in June of each year, preceding the start of the fiscal year (July 1 through June 30). This year's budget has removed Land Grant restricted funds out of the E&G Budget, as was proposed in previous years' budget.

BUDGETARY IMPLICATIONS:

The unit alignment is only a recommendation based on current year operations. The budget includes a \$7 million reduction. Final alignment will be based off the President's final review and decision for each department.

RECOMMENDATION:

VP/CFO Shields recommends that the Board of Regents approve the FY 2022-2023 Operating Budget.

MOTION:

Approve the FY 2022-2023 Operating Budget.

**Kentucky State University
FY23 Budget Projection**

Sources of Revenue	Board Approved Budget FY21/22	Actual 04/30/2022	Percent Received	Projected Revenue FY22/23	Percentage of Budget
State Appropriation*	\$ 18,975,700.00	\$ 18,975,700.00	100%	\$ 18,235,600.00	49.52%
Tuition and Mandatory Fees	\$ 15,666,000.00	\$ 16,567,463.00	106%	\$ 15,000,000.00	40.74%
Non-Mandatory Fees	\$ 675,000.00	\$ 171,621.00	25%	\$ 300,000.00	0.81%
Employee Parking	\$ 30,000.00	\$ 38,770.00	129%	\$ 10,000.00	0.03%
Interest Income	\$ 10,586.00	\$ 279.00	3%	\$ 1,000.00	0.00%
Indirect Cost Recovery	\$ 400,000.00	\$ 198,176.00	50%	\$ 175,000.00	0.48%
Auxiliary Enterprise	\$ 6,021,000.00	\$ 3,328,522.00	55%	\$ 3,100,000.00	8.42%
Total Sources of Revenue:	\$ 41,778,286.00	\$ 39,280,531.00	94%	\$ 36,821,600.00	100%

Expenditures by Unit	Board Approved Budget FY21/22	Actual As of 04/30/2022	Variance %	Projected Expenses FY 22/23	Percentage of Budget
Academic Affairs**	\$ 12,324,810.00	\$ 10,050,120.00	82%	\$ 10,545,000.00	30.3%
Auxiliary Services	\$ 4,094,663.00	\$ 4,793,101.00	117%	\$ 4,500,000.00	12.9%
Board of Regents	\$ 510,824.00	\$ 166,726.00	33%	\$ 158,286.00	0.5%
Brand Identity & University Relations	\$ 1,166,214.00	\$ 945,521.00	81%	\$ 900,000.00	2.6%
Campus Athletics	\$ 2,126,674.00	\$ 2,095,194.00	99%	\$ 2,100,000.00	6.0%
Facilities and Infrastructure	\$ 4,789,436.00	\$ 5,237,225.00	109%	\$ 5,500,000.00	15.8%
Finance and Administration	\$ 11,296,520.00	\$ 6,289,295.00	56%	\$ 6,575,000.00	18.9%
Office of General Counsel	\$ 586,019.00	\$ 587,484.00	100%	\$ 600,000.00	1.7%
The President's Office	\$ 826,610.00	\$ 586,953.00	71%	\$ 700,000.00	2.0%
Student Engagement/Campus Life	\$ 2,178,577.00	\$ 2,155,065.00	99%	\$ 2,000,000.00	5.8%
Student Success	\$ 1,877,939.00	\$ 1,281,931.00	68%	\$ 1,200,000.00	3.5%
Total Expenditures Operations:	\$ 41,778,286.00	\$ 34,188,615.00	82%	\$ 34,778,286.00	100.0%

Contingency & Reserve Funds	\$ 2,043,314.00
	\$ 36,821,600.00
MANDATED STATE REDUCTION	\$ 7,000,000.00

*Removed Restricted State Appropriation Revenue funds of \$9,930,000 for FY23

* Removed Restricted State Appropriation Revenue funds of \$8,210,400 for FY22

** Removed Land Grant expenses From the Academic Affairs Budget



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7C

ACTION ITEM:

Approval to Request Disbursement from CPE.

FACTS:

HB 250 provides fiscal relief to KSU with a \$23 million appropriation to stabilize the University's finances. On April 12, 2022, KSU requested that CPE disburse \$17.5 million to carry the University through the months of April, May and half of June 2022. The amount of remaining funds to be requested by KSU is \$5.5 million.

BUDGETARY IMPLICATIONS:

The remaining \$5.5 million is needed for KSU to operate through June 30, 2022.

RECOMMENDATION:

VP/CFO Shields recommends that the Board of Regents approve to Request Disbursement from CPE.

MOTION:

Approve to Request Disbursement from CPE.



Friday, May 27, 2022

Dr. Aaron Thompson
President
Kentucky Council on Postsecondary Education
100 Airport Road
Frankfort, KY 40601

Re: Request for Disbursement

Dear Dr. Thompson:

Pursuant to the terms set forth in House Bill 250, Section 3, Kentucky State University is required to submit a written request to CPE with supporting documentation in order for CPE to disburse the \$23 million appropriated to Kentucky State University. On April 12, 2022, Kentucky State University requested that CPE disburse \$17.5 million of the allotted funds to Kentucky State University.

When KSU made its initial disbursement request, the Governor had not yet appointed a new board. Now that the Governor has appointed a new board, as of March 31, 2022, KSU should give the Board the opportunity to weigh in on KSU's request and what the \$5.5 million will be spent on. The University now requests that CPE disburse the remaining funds to get through June 30, 2022.

As required by the bill, the University now submits this request to CPE for the disbursement of \$5.5 million. As the basis for this \$5.5 million, the University states:

Payroll & End of the Year Expenses	\$3.4 million
Return to Land Grant	\$450,000
Capital Projects	\$250,000
Asset Preservation	\$400,00
Cash Reserve	\$1 million
TOTAL	\$5.5 million

As a final note, the University states that, in its review of the University's financial records, the University has uncovered excessive spending, but has not uncovered any criminal activity. As part of on-going litigation, outside counsel is engaging a team of forensic accountants to investigate

financial activities during the tenure of Dr. Brown. The University is currently working with the Auditor of Public Accounts to conduct a more in-depth review of the University's finances. If criminal activity is discovered, the University will report it to the appropriate law enforcement agency and CPE.

As always, KSU appreciates CPE's diligent oversight and continued support of Kentucky State University. Please do not hesitate to contact me if you have any further concerns or questions.

Sincerely,



Gerald D. Shields, Ph.D.

Vice President of Finance & Administration/CFO

Finance and Administration | Kentucky State University

400 E. Main Street | Frankfort, KY 40601

Academic Services Building, Rm. 201

Office: (502) 597-5075 | Fax: (502) 597-6594

Onward, Upward

Cc: Clara Ross Stamps
Lisa K. Lang
Gregory M. Rush
Travis Powell



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7D

ACTION ITEM:

Approval of Chiller Replacement.

FACTS:

The Halls' chiller failed in late July of 2021 in such a way that repairs were not feasible and a complete new unit is required. The procurement of a replacement chiller has been delayed due to extenuating financial and administrative circumstances. It is imperative that efforts continue for procurement and installation of a replacement chiller to make ready for the return of students in August 2022 and if a replacement chiller is not available and installed at the beginning of the fall semester 2022, a temporary chiller installation is necessary, if available.

BUDGETARY IMPLICATIONS:

The estimated cost for the chiller replacement is \$260,000. State Risk insurance will reimburse KSU for actual cost of permanent chiller replacement less a \$5,000 deductible. The total liability to KSU will be \$5,000.

The estimated cost for a temporary chiller is \$115,000 not to exceed \$200,000 and is not covered by insurance. The total liability to KSU is estimated to be between \$115,000 to \$200,000.

Estimated costs are based on previously experienced actual costs that have been increased to anticipate possible current market and supply chain economic conditions. Actual costs are uncertain at this time until final procurement efforts are completed.

RECOMMENDATION:

Director Cable recommends that the Board of Regents approve the Chiller Replacement.

MOTION:

Approve the Chiller Replacement.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7E

ACTION ITEM:

Approval of the Back-up Boiler Replacement.

FACTS:

The boiler to be replaced is the redundant back-up boiler that failed in January 2022. Without the redundancy of this boiler, the building is at risk of not having heat, interrupting operations and requiring students to be housed elsewhere at an increased cost to the University. It is imperative that the procurement of the replacement unit begin as soon as possible in anticipation of the fall heating season so the back-up boiler can be in place and functioning in case of a primary boiler failure.

BUDGETARY IMPLICATIONS:

The estimated cost to replace the boiler is \$120,000. State Risk insurance will reimburse KSU for actual cost of permanent boiler replacement less a \$5,000 deductible. The total liability to KSU will be \$5,000.

RECOMMENDATION:

Director Cable recommends that the Board of Regents approve the Back-up Boiler Replacement.

MOTION:

Approve the Back-up Boiler Replacement.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7F

ACTION ITEM:

Approval of an Indoor Air Quality System Installation for The Halls.

FACTS:

The intent of this project is to retrofit the non-functioning makeup air system throughout the three building wings. This will then introduce fresh air that will be conditioned to the appropriate temperature / humidity and filtered to a MERV 14 filtration level directly into the common corridors of each corresponding wing. It is imperative that this work be accomplished as soon as possible to mitigate the ongoing issue with biological growth formation throughout the building, which affects students and staff members.

BUDGETARY IMPLICATIONS:

Project will be funded with US Dept. of Education HEERF Grand Award funds at \$750,000.

State cash override funding was established by state budget office to allow procurement to proceed (similar to USDA projects).

Estimated cost is based on previous estimated costs that have been increased to anticipate possible current market and supply chain economic conditions. Actual costs are uncertain at this time until final procurement efforts are completed.

RECOMMENDATION:

Director Cable recommends that the Board of Regents approve an Indoor Air Quality System Installation for The Halls.

MOTION:

Approve an Indoor Air Quality System Installation for The Halls.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 7G

ACTION ITEM:

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

FACTS:

Mehr Fairbanks & Peterson Trial Lawyers, PLLC (the firm) represents KSU in connection with three lawsuits the firm filed on KSU's behalf against KSU's former insurance carrier for breach of contract and bad faith. Before initiating these lawsuits, KSU and the firm entered into a contingent fee agreement. Since entering into that fee agreement, state law has changed regarding the terms that can be included in the agreement.

KSU now seeks to amend the agreement to bring the agreement in compliance with state law.

BUDGETARY IMPLICATIONS:

None

RECOMMENDATION:

Attorney Lang recommends that the Board of Regents approve the Mehr Fairbanks & Peterson Trial Lawyers, PLLC Amended Agreement.

MOTION:

Approve the Mehr Fairbanks & Peterson Trial Lawyers, PLLC Amended Agreement.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

INFORMATION ITEM 8A

INFORMATION ITEM:

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

FACTS:

In accordance with House Bill 250, “the board shall conduct a search for an interim president who has experience in university governance with specific emphasis placed on turnaround experience to replace the current interim president, who may serve until replaced.”

At the May 9, 2022 Special Called Meeting, the Board unanimously voted to engage in the services of The Registry Advisory Services (The Registry). At this time, it is necessary to move forward with discussions of the contractual terms with The Registry.

BUDGETARY IMPLICATIONS:

To Be Determined.

PRESIDENTIAL CONTRACT TERMS¹

	KSU CONTRACT	REGISTRY CONTRACT
Annual Compensation (Base Salary)	\$270,000	\$250,000
Travel Reimbursement	<ul style="list-style-type: none"> • Reimbursement for University-related travel including out-of-pocket expenses 	N/A
Spouse Travel	<ul style="list-style-type: none"> • Reimbursement for official functions not to exceed 5 times per year 	N/A
Standard Employee Benefits	<ul style="list-style-type: none"> • The standard fringe benefits available to all KSU employees...including vacation pay, sick leave, standard holidays, term life insurance, and standard contributions to a mandatory retirement plan 	N/A
Health, Vision, and Dental Insurance	<ul style="list-style-type: none"> • 100% of the monthly premiums (\$2895 including spouse) for health, vision and dental coverage in a Preferred Provider Organization 	N/A

¹ Within the Commonwealth, the University of Louisville (UofL) and Eastern Kentucky University (EKU) are the only public institutions in recent times with an interim/acting president.

*UofL offered its Acting President \$25,000 less than the previous sitting president. In addition, UofL did not provide to pay the standard rate to provide additional term life insurance in the amount of \$1 million dollars or place of residence.

**EKU has yet to provide contractual information.

Disability Insurance	<ul style="list-style-type: none"> 100% of the monthly premiums (\$73) for short-term and long-term disability insurance 	N/A
Retirement	<ul style="list-style-type: none"> 100% of the monthly payments (\$6704) to retirement account with the Kentucky Teacher's Retirement System or with one of KSU's Optional Retirement programs If employment as President should terminate for any reason whatsoever, whether voluntary or involuntary, before contributions to any retirement plan of the Commonwealth of Kentucky should vest, such portion of the non-vested contributions paid personally shall be refunded to him or his estate, and KSU shall pay the cash value of the non-vested employer contributions to the retirement plan 	N/A
Professional Membership Fees	<ul style="list-style-type: none"> Professional membership fees up to a maximum \$3,000 per calendar year 	N/A
Private Club Membership	<ul style="list-style-type: none"> \$6,500 per year 	N/A
Housing Allowance	<ul style="list-style-type: none"> Gross amount of \$4,584 per month 	<ul style="list-style-type: none"> University will provide housing (Hillcrest)
Vehicle	<ul style="list-style-type: none"> \$1025 per month allowance 	N/A

Vacation	<ul style="list-style-type: none"> • Begin his employment with a full credit of 25 days of paid vacation leave • If terminated for cause, shall be entitled to receive earned wages, vacation pay, and unreimbursed business expenses through the date of termination • In the event of death or any disability of duration longer than ninety (90) days...KSU shall only be obligated to pay the value of accrued of vacation and unreimbursed business expenses • In the event of resignation, KSU shall only be obligated to pay accrued unpaid vacation 	N/A
Sick	<ul style="list-style-type: none"> • Shall begin his employment with a full credit of 12 days of paid sick leave 	N/A
Life Insurance	<ul style="list-style-type: none"> • Shall pay the standard rate to provide additional term life insurance in the amount \$500,000 for beneficiaries. 	N/A
Moving Expenses	<ul style="list-style-type: none"> • Reasonable moving-related expenses for both arrival to and departure from KSU in the amounts of \$20,000 and \$10,000 respectively 	<ul style="list-style-type: none"> • Reasonable moving-related expenses for both arrival to and departure from KSU in the amounts not exceeding \$5000 respectively
Annual Performance Bonus	<ul style="list-style-type: none"> • Annual incentive payment of up to 20% of salary based upon performance 	N/A
Retention Incentive	<ul style="list-style-type: none"> • \$20,000 annually 	N/A