

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

**Tuesday, May 5, 2020  
1:00 p.m.**

**\*\*MEETING WAS CONDUCTED BY TELECONFERENCE\*\***

**MINUTES**

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**I. Call to Order**

Chairperson Elaine Farris, Ed.D. called the meeting to order at 1:00 p.m.

**II. Roll Call**

President M. Christopher Brown II, Ph.D. conducted roll call:

Regent Ron Banks	Present
Regent Mindy Barfield, Esq.	Present
Regent Kierra Donald	Present
Regent Elaine Farris, Ed.D.	Present
Regent Chandee Felder	Present
Regent Paul Harnice, Esq.	Present
Regent Dalton Jantzen	Present
Regent Joe Moffett, Ph.D.	Present
Regent Syamala H. K. Reddy, M.D.	Present
Regent Roger Reynolds	Present

Ten Regents were in attendance. Quorum was established.

**III. Adoption of the Agenda**

**MOTION** by Regent Donald:

Move the Board to adopt of the Agenda of the May 5, 2020 Special Called Meeting of the Board of Regents.

Seconded by Regent Banks and passed without dissent.

**IV. Information Items**

President Brown began with a follow up to the April 23, 2020 Special Called Meeting. He stated that Regent Moffett prepared an excellent synopsis of the April 23<sup>rd</sup> Special called Meeting which highlighted that KSU is planning to respond to the COVID-19 crisis by preparing budgets with both worst case scenario and disaster level scenario. In response to this matter, the University stated that it would not furlough because a furlough would be a temporary hold on personnel, but instead will propose layoffs with a careful review of staff and administrative cuts.

Further, President Brown stated that staff looked into bankruptcy attorneys at the request of Regent Harnice at the April 23<sup>rd</sup> meeting and were able to identify the leading attorney for higher education bankruptcy, Nowack & Olsen. The firm listed the institutions they represented in bankruptcy proceedings and those five institutions which declared bankruptcy subsequently closed. St. Catherine's College, formerly of Kentucky, also filed bankruptcy and subsequently closed.

President Brown declared that layoff process and related Board meeting is the most difficult item he has requested from the Board since the start of his tenure at Kentucky State University because while he is generally optimistic, today he is less than optimistic. He stated that currently, all CPE institutions are responding to an internal inquiry of HB 40, Kentucky's Wage Theft Act, as it relates to telecommuting. Campuses are having difficulty demonstrating that all of the in-person jobs translate to online.

President Brown then introduced the report titled, *Thorobred Strong: Adjusting to New Realities, Advancing Our Historic Mission (hereinafter "Thorobred Strong")*, which lays out the context for the new reality of KSU's campus based on the COVID-19 pandemic and KSU's efforts to maintain its historic mission. The Board's attention was drawn to the topics presented in this report, particularly the University's abatement of discretionary spending, the hiring restrictions for personnel, the need for a realignment of workforce operations, reduction in force, the fiscal impact of the pandemic, mid-year interim budget measures to try to close the Fiscal Year in the black, the CARES Act and legal guidelines for the application of funds, and the budget forecast with multiple scenarios.

*President Brown noted that Regent Banks and Regent Reddy joined the meeting.*

Following President Brown's presentation, the floor was open for questions and discussion about *Thorobred Strong* from each member of the Board of Regents.

- A. Regent Banks asked about the criteria for layoffs. President Brown responded that the Vice Presidents are looking at duplication of work through desk audits in addition to the impact on public health on campus, maintaining fiscal control and budgetary oversight, and academic instruction.
- B. Regent Barfield began by saying that she believes that a thoughtful and careful plan has been prepared but wanted to know if the savings identified in *Thorobred Strong* will allow KSU to close this fiscal year in the black. President Brown responded that even though this plan did not take in account the one percent give-back that KSU just received, he is nearly one hundred percent certain that KSU will end the fiscal year in the black.

Regent Barfield inquired about how much KSU will receive from the CARES Act and President Brown responded that the amount, if any, is undetermined.

Regent Barfield then addressed the issue of whether or not colleges and universities would be open for live instruction in the fall and President Brown responded that none of CPE Institutions are officially closed and that discussions are underway regarding plans for "fully reopening" in the fall semester. It is the consensus that public higher education should put forth



its best effort in order to fully reopen in the fall. All campuses will submit a draft re-opening plan to CPE by May 12th and CPE will turn the plans over to the Governor on May 14<sup>th</sup>. The re-opening plans have guidelines about certain measures each campus must have in place before fully reopening, specifically thirty to ninety days of PPE, a daily disinfecting plan, one way hallways, social distancing reminders, floor markings, closed common areas, physical barriers, limits on room occupancy, quarantine provisions, and temperature checks for everyone entering campus. The cost of these measures would be factored the budget for the next fiscal year.

- C. Regent Donald did not have any questions but expressed her gratitude for KSU's diligence in working with students during this time.
- D. Regent Felder began by expressing her concern that the majority of employee cuts will be staff members and said that she had a number of questions on their behalf. Addressing specific portions of *Thorobred Strong*, Regent Felder inquired about which areas are overstaffed, which programs have been cancelled, why any duplication of effort is not addressed by supervisors, which positions are being cut, which tasks can't be completed remotely, whether supervisors have been allowed the opportunity to give input into the plan, if administration would be able to take a salary cut instead of lay-offs, and who determined the difficulties of telecommuting. Regent Felder stated that she is trying to consider the people who are being let go since this is not a temporary layoff.

President Brown replied that the Vice Presidents and Emergency Management Team are meeting daily to review the telecommuting forms for consistency, accuracy, and likelihood of workplace hours in order to identify areas that are potentially overstaffed or understaffed. Page seven of *Thorobred Strong* lays out the financial goals and impact for each area. If this plan is approved, the Vice Presidents, along with the President's own office, would have to meet the targeted cuts and President Brown would have to approve the recommendations as long as the cuts did not impact campus health, fiscal control, and academic instruction.

President Brown stated that eighty percent of KSU's budget is dedicated to personnel and we will not be able to get to the cuts needed without making personnel adjustments. All levels in each unit have been given the opportunity to submit their budget proposals but it is not possible to fund 100 percent of these requests. KSU needs to protect its budget from further cuts and the threat of declining fall enrollment. While other universities have cut the salaries of higher wage earners, those cuts are temporary and full salaries will revert back in July. Also, anyone in the higher wage category who is a contractor is not subject to cuts as any cut to contractor wages would be contract violation.

President Brown further said that he respects Regent Felder's role as Staff Regent and expressed his apologies to Regent Felder and her constituents, but stated that the current circumstances are dire.

- E. Regent Harnice asked if there are further contingency cuts in place in case there are anymore unexpected expenditures before the end of the fiscal year. President Brown stated that he did not have one but would consult with the CFO about this issue.

- F. Regent Jantzen asked when layoffs would begin and President Brown replied that as of his last conversation, the layoffs should begin by May 15<sup>th</sup>. Regent Jantzen also inquired about the University's investment portfolio and President Brown stated that we are facing a loss of \$108, 801.76 due to stock market declines.
- G. Regent Moffett inquired about the areas referenced in the chart on page seven of *Thorobred Strong*, such as administrative services and managerial costs. President Brown stated administrative services is primarily finance and auxiliary services and managerial refers to the President and Vice Presidents and includes all of the budget categories. Regent Moffett then asked about the rationale between the different levels of cuts and President Brown stated that a flat cut across the Board would be disproportionate and that a lion share of the cuts would be borne by central administration. Regent Moffett commented about unexpected expenditures and asked how KSU would make up the difference. President Brown stated that as of the March meeting, KSU was only \$16,000 over budget and if the University had been able to stick to the pace of the budget at that time, it would have been possible to end the fiscal year three million dollars to the positive.
- H. Regent Reddy asked who was making the decisions about the cuts and President Brown stated that campus management was making the decisions.
- I. Regent Reynolds asked about the letters from the State Budget Office and CPE which he believes outlines the challenges facing KSU. President Brown stated that the State Budget Office's directive to return one percent of appropriations is in effect a twelve and one half percent annual cut. Essentially, KSU is giving back one years' worth of money in one month.

Regent Reynolds then asked if there was an update on facilities, specifically whether KSU is prepared to bring students back if possible. President Brown stated that the problems with facilities are two pronged: KSU needs a plan for students to vacate the residence halls which has already been submitted and the ability to clean and sanitize for two thousand students upon return. While KSU is putting forth its best effort, it is nowhere near being able to open.

- J. Chairperson Farris asked how long discretionary funding will be suspended and President Brown replied that it will remain suspended until June 30<sup>th</sup> and the Board would approve the budget for the new fiscal year. She also asked about the vacancy management process and President Brown explained that it is the process for hiring.

Chairperson Farris concluded by stating that she hoped that all of the Regents' questions were all answered.



**V. Action Items**

A. Reduction in Force/Budget Reduction

**MOTION** by Regent Reddy:

Move to approve the Budget Adjustment and Reduction in Force Plan to yield no less than approximately 4.7 percent of the Fiscal Year 2019-20 budget, the equivalent of \$2,320,355.00 annually.

Seconded by Regent Reynolds and passed without dissent via roll call.

*Regents Banks, Regent Barfield, Regent Harnice, Regent Jantzen, Regent Moffett, Regent Reddy, Regent Reynolds, and Regent Farris voted in favor of the motion. Regent Donald was not present for the vote. Regent Felder abstained from this vote.*

B. Campus Travel Policy

Chairperson Farris stated that the back of the Campus Travel Policy includes a waiver which reads that any exceptions to the policy must be approved by the EVP or his/her designee, however, policies can only be waived by the Board. President Brown explained that foreign and international travel is not covered by this policy due and requires a separate set of forms. Chairperson Farris requested that President Brown's name be added to the waiver.

Regent Reddy asked why there is an option to fly business class for international travel, which is much more expensive. President Brown replied that this option is consistent with peer institutions. Further, international travel is paid by grant money and not the University or the state.

President Brown explained that the proposed Campus Travel Policy aligns with state travel regulations and will allow the President and EVP to suspend all campus travel.

**MOTION** by Regent Reddy:

Move to approve the Campus Travel Policy.

Seconded by Regent Felder and passed without dissent.

C. Proposed 2020-2021 Tuition & Fees

Before the motion reached the floor, President Brown clarified that HB 303 stated that KSU is committed to tuition increases of four percent per year but that KSU has been able to avoid this measure thus far because of other cost savings measures. President Brown is bringing this plan to the Board due to the language in HB 303 and stated that Board action declining the tuition increase is needed for inclusion in KSU's management plan.

In the absence of a motion and a second for the Proposed 2020-2021 Tuition and Fee Increase, there was discussion and a proposal to table this motion until the June Meeting.

**MOTION** by Regent Felder:

Move to table Item C, Proposed 2020-2021 Tuition and Fee Increase until the June 2020 Quarterly Meeting.

Seconded by Regent Barfield and passed without dissent.

*Regents Banks, Regent Felder, Regent Barfield, Regent Harnice, Regent Jantzen, Regent Moffett, Regent Reddy, Regent Reynolds, and Regent Farris voted in favor of the motion. Regent Donald was not present for the vote.*

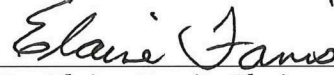
**VI. Adjournment**

With no objections, the meeting adjourned at 3:59 p.m.

Submitted by:



Dr. M. Christopher Brown II, Board Secretary  
Kentucky State University  
Board of Regents



Dr. Elaine Farris, Chair  
Kentucky State University  
Board of Regents

Approved with no corrections

Approved with corrections