MINUTES
Kentucky Community and Technical College System
Board of Regents Meeting
September 20, 2019

Board Members Present:
Mr. Damon V. Allen
Ms. Lisa Desmarais - participated via Skype and pursuant to Board of Regent Bylaws 8.3 and KRS 61.826, and will be permitted to cast votes during a video teleconference.
Ms. Karen A. Finan
Dr. Wendy Fletcher
Dr. Angela Fultz
Mr. Christopher J. Girdler - participated via Skype and pursuant to Board of Regent Bylaws 8.3 and KRS 61.826, and will be permitted to cast votes during a video teleconference.
Ms. Mary R. Kinney
Mr. Johnathan K. McDermott
Ms. Marcia L. Roth
Mr. James Lee Stevens
Ms. Jacqueline D. Teehan
Ms. Tammy C. Thompson
Mr. Mark A. Wells

CALL TO ORDER
KCTCS Board of Regents Chair Dr. Gail Henson called to order the meeting of the Kentucky Community and Technical College System Board of Regents at 9:06 a.m. (ET) on September 20, 2019. The meeting was held in the Hal Rogers Advanced Technology Center, Room 208, of the Health Sciences Hall at the Pikeville Campus of Big Sandy Community and Technical College in Pikeville, Kentucky. The press was notified of the meeting on September 12, 2019. Hon. Michael Murray, KCTCS General Counsel, served as parliamentarian.

There being a quorum present, the meeting began with the approval of minutes.

APPROVAL OF MINUTES
Chair Henson asked if there were any corrections to the June 14, 2019, minutes presented in the meeting materials. There being none, the minutes were declared approved as presented.

ADDITIONS OR CHANGES TO THE AGENDA
There were no additions or changes to the agenda.

ACKNOWLEDGEMENT OF MEETING HOSTS AND INTRODUCTION OF GUESTS
Chair Henson welcomed guests to the meeting. She thanked Big Sandy Community and Technical College President Dr. Sherry Zylka for her hospitality and thanked her staff for coordinating the Board’s visit to their college.
Chair Henson called on President Box to introduce Big Sandy Community and Technical College President Dr. Sherry Zylka to bring college greetings. Dr. Zylka provided an overview of the various programs offered by the college.

The presentation given to the Board is available at:

https://publicsearch.kctcs.edu/board/Pages/201909.aspx

Chair Henson announced that in August 2019, the newly formed KCTCS Student Leadership Academy elected Mr. Jon McDermott and Ms. Jacqi Teehan as KCTCS Student Body Co-Presidents and student Regents for one-year terms that expire August 2020. Mr. McDermott is pursuing an associate in applied science degree at Southcentral Kentucky Community and Technical College. He has been assigned to the Academic Affairs and Curriculum Committee. Ms. Teehan is pursuing an associate in arts degree at Henderson Community College. She has been assigned to the Finance, Technology, and Human Resources Committee.

Chair Henson reported that in August 2019 Governor Bevin appointed Mr. Chris Girdler to the Board. Unfortunately, he could not be here in person today, but is joining us via Skype. He is the President & CEO of Somerset Pulaski Economic Development Authority, also known as “SPEDA”. In addition to being elected senator for Kentucky’s 15th district in 2012 (a position he decided not to run for a second term), Girdler is a graduate of Pulaski Southwestern High School and Eastern Kentucky University, where he earned a earned a Bachelor of Business Administration degree.

Mr. Girdler previously served as a CEO in the houseboat manufacturing industry and is the founder and President of Possum Trot Investments LLC, an investment and consulting company. Mr. Girdler resides in Somerset, KY, with his wife Courtney, and has two daughters, Charleston and Channing. Mr. Girdler was appointed to replace Mr. Donald Tarter, whose term had expired. He will serve a six-year term that expires in 2025. He will serve on the Academic Committee this year.

Chair Henson shared that the committee listings are listed on the front cover of the Board agenda book. She extended a special thank you to those Regents who will be serving as chairs for the committees this year. Mr. James Lee Stevens will Chair the Academic Affairs and Curriculum Committee with Ms. Mary Kinney serving as Vice Chair; Dr. Angela Fultz will chair the Efficiency, Effectiveness, and Accountability Committee; and, Mr. Mark Wells will chair the Finance, Technology, and Human Resources Committee with Mr. Damon Allen serving as Vice Chair.
The KCTCS New Regent Orientation was conducted on August 9, 2019. The new Regents also attended the statewide mandated orientation on September 16, 2019 held by CPE in conjunction with the Symposium in Louisville.

Chair Henson announced the following locations for the 2020 Board of Regents meetings:
- June 11-12, 2020 – West Kentucky Community and Technical College in Paducah
- September 17-18, 2020 – Hazard Community and Technical College in Hazard

Chair Henson shared that she attended the September 26-27, 2019 inaugural Foundation Board Retreat. The retreat was a prelude to a more ambitious project of conducting a full strategic planning process to align foundation goals and outcomes with that of KCTCS and equipping board members to better advocate among their personal and professional networks. The next Board meeting will be December 12, 2019.

**PRESIDENT’S REPORT**

President Box shared that in December, the Board of Regents will have access to a new software portal called “OnBoard.” The portal will be utilized to access all Board-related materials and a workshop will be conducted at the December meeting to orientate Regents with the new technology.

President Box noted that in August 2019, the Attorney General updated the “Your Duty Under the Law” and “Managing Government Records,” documents provided to all board members. If changes are made to the documents, all Board members are required to received them again within 60 days of the changes and an acknowledgement is to be kept on file. President Box asked each Board member to sign the acknowledgement located in their folder.

An update about Performance Measures for the *KCTCS Strategic Plan 2016-22* was also provided.

The PowerPoint presentations for these and other updates are available at: [https://publicsearch.kctcs.edu/board/Pages/201909.aspx](https://publicsearch.kctcs.edu/board/Pages/201909.aspx)

The complete President’s Report presented at the meeting is available at: [https://publicsearch.kctcs.edu/board/Board%20Meetings/2019/201909/01_Board/President%27s%20Report/FINAL%20FORMATTED%20President%27s%20Report_9-20-19.pdf](https://publicsearch.kctcs.edu/board/Board%20Meetings/2019/201909/01_Board/President%27s%20Report/FINAL%20FORMATTED%20President%27s%20Report_9-20-19.pdf)
RECESS

The Board recessed at 10:00 a.m. (ET) and reconvened at 10:08 a.m. (ET).

ACTION: PRESIDENT'S CONTRACT REVIEW COMMITTEE REPORT

Chair Henson noted the President’s Contract Review Committee would be presenting a report with a recommendation before proceeding to standing committee reports.

RECOMMENDATION: The KCTCS Board of Regents make the following revisions to KCTCS President Box’s contract:

- The addition of an annually recurring executive supplement of $50,000, payable immediately; and,
- The addition of $100,000 net deferred compensation, which accrues annually, with a 2-year vesting period.

Chair Henson noted that pursuant to the KCTCS Bylaw 13.1, it is a responsibility of the Board to perform an evaluation of the KCTCS President and fix the President’s compensation and terms of contract. To refresh Regents’ recollection, Chair Henson noted that in June, the KCTCS Board of Regents voted upon President Box’s evaluation and received a report from then-Chair Roth about President Box’s accomplishments for the 2018-19 year. Following the positive evaluation report, former Chair Roth suggested a committee take an in-depth review of President Box’s compensation and terms of contract.

Following her election in June, Chair Henson created the President’s Contract Review Committee with appointments made in July 2019. The Committee membership included Chair Henson, Regent Damon Allen, Regent Marcia Roth, and individuals external to the Board P.G. Peeples Sr. and Barry Bishop. The President’s Contract Review Committee was charged with reviewing matters of the president’s contract, including compensation, for President Box.

The President’s Contract Review Committee met on August 5, 2019, at the KCTCS System Office. The minutes (approved by the committee via email) and documents from that meeting were attached in the agenda materials sent to the Board before the September 19-20, 2019 Board meeting.

With that history in mind, Chair Henson encouraged the faculty and staff Regents to participate in the discussion about President Box’s contract and compensation, but reminded faculty and staff that they are ineligible to vote.

According to KCTCS Board of Regents Bylaws Section 8.2.1 - Matters on Which Members May Vote:

All members of the Board may vote on all matters coming before the Board for consideration, except that, pursuant to
KRS 164.289 and OAG 01-8, the two (2) members representing faculty and the two (2) members representing non-teaching personnel shall not vote on individual compensation matters for themselves or other individual employees of KCTCS.

Chair Henson also noted the Student Regent votes count for half a vote pursuant to the KCTCS Board of Regents Bylaws. Regent Desmarais and Regent Girdler may vote via Skype since they are participating via video and can be both seen and heard.

Chair Henson asked for questions concerning the process and the Board’s responsibility; there being none, she asked Regent Allen to proceed with the Committee report.

Regent Allen made the following prepared remarks to the Board:

- The President’s Contract Review Committee, having a quorum and being duly convened, met at the main office of Kentucky Community & Technical College System on August 5, 2019 at 10:02 A.M.
- The Committee discussed Dr. Box’s current compensation, as well as historical changes in his compensation.
- The Committee also discussed whether or not a change in Dr. Box’s compensation is warranted.
- After determining that Dr. Box’s performance, as documented in his 2019 evaluation, warrants additional compensation, the Committee discussed a number of alternatives before deciding on the recommendation outlined on page 47 of your materials.
- As part of that discussion, the Committee also considered the compensation of Dr. Box’s predecessors, as well as his peers, both within the Commonwealth and across the Country.
- The result of that discussion was the recommendation included in your materials.
- Upon approval of the recommendation in your materials, I personally thought it prudent governance that someone from the Committee reach out to all of the voting Regents to ensure that they were aware of the recommendation well ahead of today’s meeting in order for them with ample time to prepare questions and concerns around the recommendation.
- Since I made the recommendation to contact the voting members, I volunteered to contact them myself.
- Following that discussion, the meeting concluded with a separate discussion and recommendation that Dr. Followell secure quotes on long-term care insurance on behalf of Dr. Box and for presentation to the Board at today’s meeting.
- There being no further business, the meeting adjourned at approximately 12:12 P.M.
As I mentioned, I suggested and volunteered to contact voting Regents for the sole purpose of ensuring that they were aware of the recommendation regarding Dr. Box’s compensation.

I began each call by noting that the call was informative only and not an attempt to garner votes - one way or the other.

When I called voting regents, there was no quorum present and there was no attempt to circumvent the bylaws of this Board or the statues of the Commonwealth by myself or any of the other Regents.

Again, the purpose was solely to inform Regents about the upcoming recommendation of the Committee and no decisions were made on any of those calls.

In my short tenure on this Board, it appears to me that there is room for improvement in how the Board communicates with each other, so I viewed this as a good opportunity to strengthen our communication - nothing more, nothing less.

I am disappointed that certain Regents mistook my sincere attempt to ensure that all Regents were well informed of the Committee’s recommendation before today’s meeting as advocacy on behalf of the Compensation Committee or Dr. Box.

That is simply not the case.

Finally, it should be noted that acceptance of the report does not constitute approval of the recommendation included in your materials.

In fact, following the motion to accept this report, I make a separate motion that the board discuss Dr. Box’s contract, including his current and future compensation.

There was discussion on the proposed Recommendation. An official external transcript of the discussion can be found as Attachment A – Transcription Excerpt of the Board of Regents September 20, 2019 meeting (73 pages).

Two motions were made regarding the addition of an Executive Supplement to President Box’s contract. The first motion of a $50,000 supplement was voted down 5 to 4 and the second motion of a $35,000 supplement was voted down 5 to 4.

The Board recessed at 11:19 a.m. (ET) and reconvened at 11:30 a.m. (ET).

After the recess, President Box asked for the compensation discussion to be tabled and to move on with the rest of the agenda.

Regent Roth made the motion and Regent Allen seconded. The vote was unanimous to proceed with the rest of the agenda.
CONSENT AGENDA
Chair Henson asked if there were any changes to the consent agenda. There being none, the agenda was approved as presented.

EXECUTIVE COMMITTEE
Chair Henson called upon Executive Committee and Board of Regents Secretary Mary Kinney to make the committee’s report at Vice Chair Desmarais request.

ACTION: KCTCS PRESIDENT’S 2019-20 GOALS AND OBJECTIVES
RECOMMENDATION: The KCTCS Board of Regents approve the proposed KCTCS President Box’s 2019-20 Performance Goals and Objectives and Performance Review Timeline (Attachment B).

Ms. Kinney noted that pursuant to the KCTCS Board of Regents Policy 2.5 – KCTCS President’s Performance Review (Attachment C) and the KCTCS Procedure for Evaluation of the President (Attachment D), President Box has developed his 2019-20 Performance Goals and Objectives (Attachment B). President Box introduced and discussed these goals and objectives at the committee meeting.

Ms. Kinney reported that President Box shared that the President’s Leadership Team (PLT) retreat helped him to determine what his focus should be for 2019-20. After the retreat, President Box wanted to address the simple question of, “What does ‘winning’ look like for KCTCS?” and to use that question to drive the System toward the mission of being a world-class statewide community and technical college system that produces a globally competitive workforce.

Ms. Kinney shared that President Box noted that the feedback from the Board and PLT resulted in the shortening of his Goals and Objectives, in order to become laser-focused on top priorities. The 2019-20 Goals and Objectives focus on prominence, growth, and sustainability. Ms. Kinney noted that President Box shared details on each goal listed in Attachment B.

Chair Henson called for the motion.

MOTION: On behalf of the Executive Committee, Ms. Kinney moved that the KCTCS Board of Regents approve the proposed KCTCS President Box’s 2019-20 Performance Goals and Objectives (Attachment B).

Chair Henson called for discussion.

During the discussion, Regent Desmarais thanked President Box for limiting the amount of goals he would try to accomplish.

Chair Henson called for further discussion, there being none she called for the vote.
VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

**ACTION: REVISION OF MISSION STATEMENT FOR ASHLAND COMMUNITY AND TECHNICAL COLLEGE**

**RECOMMENDATION:** The KCTCS Board of Regents approve a revised mission statement for Ashland Community and Technical College (ACTC) as presented in the agenda materials.

Ms. Kinney noted that it is the policy of the KCTCS Board of Regents that each SACS-accredited college under the jurisdiction of the KCTCS Board of Regents has a statement of purpose approved by the governing board and that the KCTCS Board of Regents periodically review and approve mission statements of each SACS-accredited college. It is also the policy of KCTCS that the college mission statement be reviewed annually and that the mission statement shall be submitted to the KCTCS Board of Regents for approval at least once every three years.

Ms. Kinney shared that the full-time faculty and staff as well as the ACTC Board of Directors support and endorse the college’s proposed revised mission. The college conducted both community and employee forums during the spring 2019 semester. These forums included a review of the college’s mission as well as a review of the strategies and objectives used to achieve the mission. It was noted that Dr. Ferguson led each of the forums.

Ms. Kinney noted the majority of feedback received from the groups who attended the forums was the current mission statement was too long and that there was widespread support for the current mission tag line “Teach with excellence. Serve with passion. Learn for life.” College feedback also included comments that the college needed to include the term “community” within its mission. The proposed mission is shorter in length than the current version, added the phrase “strengthening our communities,” and revised the main points of the mission to read, “Educate with excellence. Serve with purpose. Succeed for life.”

Ms. Kinney shared that the ACTC Board of Directors unanimously endorsed the revised mission and the employees overwhelmingly supported the revised mission.

Chair Henson called for the motion.

**MOTION:** On behalf of the Executive Committee, Ms. Kinney moved that the KCTCS Board of Regents approve a revised mission statement for Ashland Community and Technical College (ACTC) as presented in the agenda materials.
Chair Henson called for discussion. There being none, she called for a vote.

VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

**ACTION: REVISION OF MISSION STATEMENT FOR SOMERSET COMMUNITY COLLEGE**

**RECOMMENDATION:** The KCTCS Board of Regents approve a revised mission statement for Somerset Community College (SCC) as presented in the agenda materials.

Ms. Kinney noted that the SCC Executive Council was charged with conducting an annual review of the current mission statement. The Executive Council reviewed the current mission statement and each Executive Council member wrote their version of a new mission statement. On April 30, 2019, the Executive Council voted and narrowed the mission statement down to two versions.

Ms. Kinney shared that all areas of the college were represented to ensure the mission statement reflected the needs of the entire SCC service area and constituent groups. On May 3, 2019, Dr. Castle noted that the two versions of the mission statement were presented at a faculty meeting for input and suggestions. Two versions of the mission statement were emailed to all Somerset Community College employees for input and suggestions on May 8, 2019. The two versions of the mission statement were presented at a staff meeting on May 31, 2019.

Ms. Kinney noted that on June 5, 2019, a strategic plan committee was formed and met to review all comments and suggestions from employees. From those suggestions, the proposed mission statement was created. On July 25, 2019, the SCC Board of Directors approved the proposed mission.

Chair Henson called for the motion.

**MOTION:** On behalf of the Executive Committee, Ms. Kinney moved that the KCTCS Board of Regents approve a revised mission statement for Somerset Community College (SCC) as presented in the agenda materials.

Chair Henson called for discussion. There being none, she called for a vote.

**VOTE:** The motion was approved unanimously.

Chair Henson moved to the next agenda item.
Ms. Kinney noted that the agenda item was an Information item and is being presented for discussion. After the discussion, the agenda item will be brought back at the December meeting as an Action item and will require a vote by the Executive Committee and the full Board.

Ms. Kinney shared that last year, the Board of Regents completed its first assessment of its own performance for the 2017-18 year. The Board Assessments are now required for governing Boards by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). After the announcement of this new requirement, SACSCOC requested that all governing Boards begin these evaluations before October 2018.

Ms. Kinney noted that an assessment form was drafted by Assistant Secretary to the Board, Hannah Rivera, after reviewing several Association of Governing Boards resources, including an AGB publication entitled, “Assessing Board Performance: A Practical Guide for College, University, System, and Foundation Boards.” Numerous Board assessments from other community colleges and universities were also reviewed in order to create the assessment form. The form was introduced and voted on at the September 2018 Board of Regents meeting. This was done quickly in order to meet SACSCOC’s request.

Ms. Kinney shared that after the assessment form was approved, Board members were asked to complete the form via Survey Gizmo in October 2018. This was done so that responses to the surveys could be properly tallied and received anonymously. At the December 2018 Board meeting, the then-EEA Chair Karen Finan presented the results to the full Board. At the March 2019 regularly scheduled EEA Committee meeting, the EEA Committee discussed the report that had been delivered in December and talked about whether recommendations for Board performance improvement were needed based on the results. As a result of that discussion, an additional EEA Committee meeting has been added to the annual calendar for September. At the March 2019 meeting, a timeline to dictate how the future assessments would be conducted was approved.

Ms. Kinney shared that it was determined that at each September meeting, the Executive Committee would review the assessment form as an information item. In December, the form will be brought back to the Executive Committee – either as-is with no changes or with recommended revisions that are discussed. Once the form is approved after the December meeting, the EEA Chair will distribute the form to the entire Board, everyone will participate in the assessment, and the EEA Chair will collect and compile the results before the March EEA meeting. The EEA Chair will report the
assessment summary each year at the March EEA Committee meeting, ask for discussion, and provide an opportunity to discuss how the Board can improve its performance and practices. If changes or improvements are determined to be in the best interest of the Board at the March EEA meeting, those will be voted on officially at the June meeting.

Ms. Kinney also noted that the timeline allows for continuous quality improvement. The timeline gives Regents an opportunity to evaluate how the Board is doing and make changes to the schedule, practices, and focus annually. She noted that it was important to remember that the point of the assessment is not to evaluate individual Board members. She shared that the assessment form has three sections: Board performance; Board practices; and three open-ended questions.

Ms. Kinney shared that no changes to the form was discussed during the Committee meeting, so the form will be brought to the December meeting for approval.

Chair Henson called for discussion. There being none, she moved to the next agenda item.

INFORMATION:
PROCEDURES FOR THE KCTCS BOARD OF REGENTS OFFICER ELECTIONS

Ms. Kinney noted that the agenda item was an Information item and is being presented for discussion. After the discussion, the agenda item will be brought back at the December meeting as an Action item and will require a vote by the Executive Committee and the full Board.

Ms. Kinney shared that the KCTCS Board of Regents has a Board Bylaw that governs the Board Officer elections. The Bylaw states, *Every year the Board shall elect from its membership for a one-year term a Chair, a Vice Chair, a Secretary, and such other officers, as it may deem necessary. The Chair shall not serve for more than two consecutive terms. Officers shall serve until their respective successors have been appointed and qualified. The Board shall appoint a Treasurer not from its membership pursuant to KRS 164.330. In the event a vacancy occurs prior to the end of the term of an officer, the Board shall hold a special election to fill the office for the unexpired position of the term.*

Ms. Kinney noted that until the past year’s election, the bylaw has served the Board well and there was no need for anything further to govern the elections. She shared that it has been Board practice for the Chair to appoint a Nominating Committee which meets during or prior to the June Board meeting. The Nominating Committee recommends a slate of officers to the full Board and the vote is taken. However, this
year (unlike previous years), there were multiple Regents interested in the same position, and some Regents interested in more than one position.

After the Nominating Committee meeting, Assistant Secretary to the Board Hannah Rivera, and Parliamentarian Mike Murray, drafted a set of procedures that are being proposed to accompany the current bylaw. It was noted that the bylaw will remain the same, but the procedures will support that provision, and aid in ensuring that future elections are carried out in a fair and transparent manner. Ms. Rivera and Mr. Murray consulted many resources, including Robert’s Rules of Order, best practices regarding elections, and other procedures from governing boards to draft the procedures in the agenda item (See Attachment E).

Ms. Kinney noted that the feedback gathered from the Committee meeting would be taken into consideration and revisions made to the proposed procedures. The revised version will be brought to the December meeting for approval.

Chair Henson called for discussion. There being none, she moved on to the next committee report.

**ACADEMIC AFFAIRS AND CURRICULUM COMMITTEE**

Chair Henson called on Academic Affairs and Curriculum Committee Chair James Lee Stevens to make the committee’s report.

**UPDATE: PROGRAM SUSPENSIONS**

Mr. Stevens shared that the committee received an update on program suspensions. He noted that a suspended program is defined by the Kentucky Council on Postsecondary Education (CPE) as an academic program that no longer accepts new students as of a specified date but allows current or previously accepted students to complete the program. The program can be re-opened within five years without going through the new academic program approval process. After five years, if the program has not been re-opened, it is considered a closed program.

Mr. Stevens noted that proposals to add new programs may be presented at any quarterly KCTCS Board of Regents meeting. Deactivated credentials are credentials that have been deactivated but may include a teach-out for any credential, and for tracks of the program within the credential level. Program suspensions are programs that have been officially removed from the CPE Program Inventory and include all credential levels of a program and for all tracks within the credential level.

Mr. Stevens shared that program suspensions are programs that have been officially removed from the CPE Program Inventory and include
Chair Henson called for discussion. There being none, she moved on to the next agenda item.

**UPDATE: ACADEMIC SERVICES REPORT**

Mr. Stevens noted that Chancellor Williams gave a presentation to the committee on the following topics:

Through the KCTCS Workforce Solutions areas, last year:

- KCTCS Colleges served 5,262 companies and provided workforce training for 47,670 participants.
- The Colleges administered 73,901 assessments for industry certifications, pre-employment assessments or licensure.
- Colleges also provide a wide range of classes in Community Education that focus on personal enrichment. Last year there were 13,370 participants from age 6 to 60+ in these classes.

KCTCS has received a $420,000 grant from the American Association of Community Colleges (AACC) to participate in its Expanding Community College Apprenticeships project. The 16 Colleges will develop at least 450 new Registered Apprenticeships within new and existing apprenticeship programs in any field of study over a three-year period. The grant pays for a System Office Apprenticeship Manager to coordinate the College efforts, along with marketing and support for each College’s development of apprenticeships.

Dual credit continues as a strong area of focus for Chancellor’s Office Staff. KCTCS and the Kentucky Department of Education (KDE) partnered to create 21 dual credit model pathways for the most in-demand technical programs across the state. These models are the...
preferred course sequence for high school students to allow seamless entry into the KCTCS AAS track upon high school graduation.

The pathways consist of a ten-course sequence (when possible) developed to maximize the ten dual credit scholarships available to high school students. Additional pathways will be developed this year for in-demand programs.

To enhance collaboration, KDE and KCTCS have formed a joint work group to address systemic dual credit challenges. There are ten members of the team with five system and local representatives from each organization—including principals and dual credit coordinators.

The group reviews items such as scheduling challenges, advising opportunities, ideas on how to improve communication and information, sharing of policies and procedures, and developing recommendations on how to address challenges.

The Kentucky Center for Statistics, KY Stats, is working with KCTCS’s Office for Research and Policy Analysis, or ORPA, to validate dual credit data for the high school graduating class of 2017. While numbers are still in progress, current data shows that 20.1% of 2017 Kentucky high school graduates enrolled in dual credit with KCTCS.

Of those students, 74.6% enrolled in a Kentucky postsecondary institution the following year.

- 30% enrolled at a KCTCS College;
- 38% at a public 4-year institution; and
- 10.5% at a private 4-year institution.

The ability for students to transfer from KCTCS to university partners is another area of focus. In April, the Kentucky Council on Postsecondary Education and KCTCS hosted their semi-annual “Foundations for Transfer Success: Cultivating Connections” Professional Learning Community (PLC).

The PLC brought together over 60 university and college transfer leads from across the Commonwealth, along with representatives from the Kentucky Department of Education, to discuss strategies for improving postsecondary student success.

Veterans Accelerated Learning for Licensed Occupations initiative, or VALLO, staff work to increase and expedite attainment of state occupational licenses by veterans. Staff accomplish this by identifying gaps between military education and training in specific military occupations as compared to the education required for related licensed
civilian occupations. They then work with program faculty to identify instances in which KCTCS programs can waive required courses by awarding credit for military training or by giving veterans advanced standing within an existing training program as a bridge to the degree.

Currently staff are working with nursing faculty from five KCTCS Colleges to explore opportunities to develop bridge programming for veterans. Proposed programming would evaluate prior learning for Army medics and may accelerate the time to complete Registered Nurse coursework by a veteran by as much as one semester.

Chair Henson called for discussion. There being none, she moved on to the next committee report.

FINANCE, TECHNOLOGY, AND HUMAN RESOURCES COMMITTEE

RECOMMENDATION: The KCTCS Board of Regents approve the 2020-22 biennial budget requests, operating and capital, for KCTCS to be submitted to the Council on Postsecondary Education (CPE), the Governor of Kentucky, and the Kentucky General Assembly. Statutorily, KCTCS must submit its requests, operating and capital, by November 15, 2019. The KCTCS operating and capital requests are developed in cooperation with the CPE guidelines. The requests that follow are items developed in consultation with the KCTCS President’s Leadership Team and CPE staff. KCTCS’s final requests, operating and capital, submitted in November to the legislature, governor and CPE, will depend on CPE Board approval at its October 2019 meeting. At the time of the development of this agenda item, CPE staff’s final recommendations concerning KCTCS requests were not yet known. Therefore, all requests, operating and capital, discussed with CPE staff are included.

The biennial budget request for operating funds for KCTCS per the guidelines developed by CPE is as follows:
Fiscal year 2019-20 General Fund appropriation of $166,034,000 as enacted in the 2020-22 Budget of the Commonwealth (HB 200) plus $8,547,000 of the Postsecondary Education Performance Fund was allocated to KCTCS.

** Registered Nurses are in high demand with 2,669 annual openings in Kentucky. KCTCS awarded 840 credentials for RNs in 2018-19. This request is to support the nursing programs at all 16 colleges. If funded, resources may be deployed based on regional and college need. Currently KCTCS colleges struggle to compensate nurses adequately to compete with salaries at hospitals and medical facilities. Additionally, KCTCS colleges struggle to offer year-round access to nursing programs due to normal 10-month faculty contracts. This request, if funded, will enable KCTCS colleges to offer 12-month assignments to some faculty based on needs in that college’s service area. All new positions (two per college) will be 12-month.

**Capital Funds Request**

The 2020-2022 Capital Request is summarized in Attachment F.

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*** CPE is requesting $400,000,000 in General Fund supported bond funds for a capital investment pool of asset preservation and renovation projects. This request for asset preservation funds is needed to address long overdue deferred maintenance, bring facilities up to current industry standards, and better serve students, faculty and staff. If the requested bond funds are authorized, they will be matched fifty cents on the dollar by receiving institutions. KCTCS’ portion of the requested $400 million pool would be $49,851,000 for the 2020-22 biennia. Projects listed in Attachment A for the Asset Preservation and Renovation request will be eligible to receive funding from this pool.

The KCTCS President worked the CPE President and the university presidents to develop a biennial budget operating funds request approach that:
• Recognizes the economic situation facing the Commonwealth of Kentucky in the 2020-22 biennium.
• Recognizes the need for an additional general fund appropriation for each institution of postsecondary education.
• Provides opportunity for the institutions and the CPE to cooperatively seek additional funding.

The KCTCS 2020-22 capital funds request:
• Reflects KCTCS priorities for asset preservation and renovation. Attachment A lists projects that meet the criteria established for asset preservation and renovation. Also listed within Attachment A, are capital projects which are requested for approval should restricted and/or other funds become available to fund the project(s).
• Encompasses asset preservation, maintenance and renovation of existing facilities, construction (new and expansion), information technology, and capital equipment.
• Recognizes the importance of maintaining the existing physical plant in a condition that enables the colleges to provide quality educational programs and services.
• Consists of 42 projects with a total request of approximately $480 million.

Chair Henson called for the motion.

MOTION: On behalf of the Finance, Technology, and Human Resources Committee, Mr. Wells moved that the KCTCS Board of Regents approve the 2020-22 biennial budget requests, operating and capital, for KCTCS to be submitted to the Council on Postsecondary Education (CPE), the Governor of Kentucky, and the Kentucky General Assembly. Statutorily, KCTCS must submit its requests, operating and capital, by November 15, 2019. The KCTCS operating and capital requests are developed in cooperation with the CPE guidelines. The requests that follow are items developed in consultation with the KCTCS President’s Leadership Team and CPE staff. KCTCS’s final requests, operating and capital, submitted in November to the legislature, governor and CPE, will depend on CPE Board approval at its October 2019 meeting. At the time of the development of this agenda item, CPE staff’s final recommendations concerning KCTCS requests were not yet known. Therefore, all requests, operating and capital, discussed with CPE staff are included.

Chair Henson called for discussion. There being none, she called for a vote.

VOTE: The motion was approved unanimously.
Chair Henson moved to the next agenda item.

**UPDATE: OTHER POSTEMPLOYMENT BENEFIT TRUST REPORT**

Mr. Wells noted that at the December 7, 2012, KCTCS Board of Regents approved by resolution to establish an Other Postemployment Benefit (OPEB) Trust for the health insurance benefit of eligible employees in KCTCS 403(b) retirement plans. As of June 30, 2019, the KCTCS Section 115 IRR Trust is sufficiently funded with $205.02 million in assets and $152.5 million in liabilities. The Plan’s Fiduciary Net Position as a percentage of the total OPEB liability is 134.44 percent or a positive $52.5 million. Mr. Wells shared that the assets of the Trust are significantly above its liabilities, and KCTCS would like to help reduce the out-of-pocket costs to its retirees, AON (KCTCS’ actuary) was asked to do a follow up calculation of the expected postretirement benefit obligation if KCTCS funded the full out-of-pocket cost for single health insurance coverage for its retirees within the Trust. The calculation to remove retiree contributions for single health insurance costs increased the expected postretirement obligation from the estimated $152.5 million to $204.2 million.

Mr. Wells noted that to help retirees reduce their out-of-pocket costs, but to guard against the potential liability increasing above projected assets, beginning January 1, 2020 for those retirees covered by the Trust, KCTCS will cover 50 percent of the out-of-pocket costs for single health insurance coverage. The expected postretirement benefit obligation with this change is expected to be approximately $180.0 million.

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**UPDATE: ADMINISTRATIVE SERVICES REPORT**

Mr. Wells noted that the Statement of Current Funds Revenues and Expenses as presented in the agenda materials, reflects actual program and operational expenditures compared to the 2018-19 budget approved by the KCTCS Board of Regents, June 15, 2018. The report reflects total revenues and appropriated fund balances of $836,674,000 or 98 percent of the budgeted revenue and appropriated funds.

Mr. Wells shared that the Statement of Current Funds Revenues and Expenses also reflects current fund expenses and budget reserve of $752,118,000 or 88 percent of the expenses budgeted for the year. The Statement of Net Position as presented in the agenda materials, reflects the overall financial position of the System and includes assets deferred outflows, liabilities deferred inflows, and net position.
KCTCS’s net position remains a strong $562,299,000 as of June 30, 2019.

Mr. Wells also noted that in the diverse supplier initiatives report, the data indicates for FY 2018-19 that KCTCS spent $6.2 million (9.9 percent) of a total $62.4 million in impactable discretionary spend with diverse suppliers. In terms of business conducted, the percentage spent with diverse suppliers in FY 2018-19 as compared to the spend with diverse suppliers in FY 2017-18 was higher by (10.7 percent).

Mr. Wells shared that KCTCS staff continue to work on diverse supplier strategic matching employing distribution of advertising opportunities to do business with KCTCS. These activities include sponsorships, utilizing various minority supplier’s websites, and partner distributions of KCTCS business opportunities (Kentucky Procurement Technical Assistance Center, Tri-State Minority Development Council, and National Association of Women Business Owners (NAWBO)). KCTCS is a registered member of additional cooperative purchasing groups (E&I Cooperative Services and Sourcewell) and utilizes free online platforms for greater distribution of business opportunities (Govquote) to increase the visibility for strategic sourcing of diverse suppliers.

Chair Henson called for discussion. There being none, she moved on to the next agenda item.

**UPDATE: TECHNOLOGY SOLUTIONS REPORT**

Mr. Wells shared that Vice President Paul Czarapata gave a brief overview of the Technology Solutions most recent Accomplishments Report highlighting the several highlights and statistics. He noted that in June 2019, the Cybersecurity team in System Office Technology Solutions conducted a phishing campaign for all faculty and staff. The phishing email was sent to 6,709 mailboxes with 1,842 people opening the email, 684 people clicking the link, and 384 people giving up their credentials. After the phishing campaign was completed, one college President was caught. The average click rate (or Phish Prone rate) for higher education as an industry is 28.2 percent, as a system we came in at 15.9 percent.

Mr. Wells noted that in July 2019, KCTCS Technology Solutions staff sponsored a pizza party for all the PeopleSoft Administrative System (HR/Payroll, Financials, and Student Information System) “Power Users” to roll out multi-factor authentication. A “Power User” is someone who has elevated access in a computer system. Multi-factor authentication refers to the use of a password, and a second factor which is either a text message to your phone or the use of a key fob with rotating codes. This authentication will help to stop malevolent activities if an end user is phished.
Mr. Wells shared that MyPath allows students, faculty, and staff to go to one web site, and be able to access nearly all KCTCS technology systems with only one log in. From the beginning of the year, MyPath has served 5,785,714 users (an average of 214,285 visits per week).

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**UPDATE: OFFICE OF AUDIT SERVICES REPORT**

Mr. Wells noted that Mr. Mike Murray, KCTCS General Counsel, and Mr. Ralph Kimbrough, Office of Audit Services (OAS), provided a semi-annual report on the activities of the OAS to the committee.

Mr. Wells shared that overall, the OAS has continued to find operational improvement since the prior report; however, there were no significant issues or adverse indicators regarding financial integrity, threats to institutional reputation or other areas of major concern.

Mr. Wells shared that recent audits focused on campus safety, federal regulation, documentation, payment card industry data security standard (PCI DSS), and asset safety.

Mr. Wells noted that Management audits have been conducted at Maysville Community and Technical College, West Kentucky Community and Technical College, and Ashland Community and Technical College. There are several expected audits due in future months because of leadership changes. A new audit initiative will focus on entrance interviews with the College Presidents.

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**EXECUTIVE SESSION**

Chair Henson called for a motion for the KCTCS Board of Regents to go into Executive Session pursuant to KRS 61.810 (1) (c) – Proposed or Pending Litigation in which KCTCS may be a party or KRS 61.810 (1) (f) Individual Personnel Matters.

**MOTION:** Ms. Roth moved, and Mr. Allen seconded that the KCTCS Board of Regents go into Executive Session pursuant to KRS 61.810 (1) (c) – Proposed or Pending Litigation in which KCTCS may be a party or KRS 61.810 (1) (f) Individual Personnel Matters.

**VOTE:** The motion was approved unanimously.

Chair Henson asked President Box and KCTCS General Counsel Mike Murray to participate in the Executive Session.

The Board went into Executive Session at 12:24 p.m. (ET).
**OPEN SESSION**

Chair Henson called for a motion for the KCTCS Board of Regents to reconvene the meeting in Open Session.

**MOTION:** Mr. Allen moved and Mr. Wells seconded that the KCTCS Board of Regents reconvene in Open Session.

**VOTE:** The motion was approved unanimously.

The KCTCS Board of Regents reconvened in open session at 12:46 p.m. (ET).

Chair Henson announced that the Board discussed Proposed or Pending Litigation or Individual Personnel Matters and that there was no action to bring before the Board at this time.

**NEXT MEETING**

Chair Henson announced that the next regular meeting of the KCTCS Board of Regents is scheduled for December 5-6, 2019 at the KCTCS System Office, Versailles, Kentucky.

**ADJOURNMENT**

Mr. Stevens moved that the meeting adjourn. Ms. Thompson seconded the motion.

**VOTE:** The motion was approved unanimously, and the meeting adjourned at 12:49 p.m. (ET).

**Date Approved by the KCTCS Board of Regents**

12/06/19

Gail R. Henson, Ph.D., Chair
KCTCS Board of Regents

Mary Bosley-Kinney, Secretary
KCTCS Board of Regents

Jay K. Box, Ed.D.
KCTCS President
2019-20 Goals and Objectives
KCTCS President Jay K. Box

Performance Review Timeline

**August 2019:** Dr. Box submits to Chair Henson a draft of his Goals and Objectives for this evaluation period.

**September 2019:** Board Executive Committee receives Dr. Box’s 2019-20 Goals and Objectives. The Executive Committee votes to recommend to the full Board the approval of Dr. Box’s Goals and Objectives. Full Board takes action on the Executive Committee’s recommendations.

**Mid-May 2020:** Dr. Box presents to Board his accomplishments.

**Mid-May 2020:** Chair Henson distributes to the full Board the presidential evaluation form and sets a deadline for the return of the evaluation form to her.

**Before June 2020 Board Meeting:** Chair Henson will meet with Dr. Box to discuss the evaluation results.

**June 2020 Board Meeting:** The Board will take action on the evaluation of Dr. Box. Chair Henson appoints Ad-hoc committee to review Dr. Box’s contract and compensation. Any revisions to Dr. Box’s contract will be discussed and approved at that meeting.

**July 2020:** Ad-hoc committee meets to review Dr. Box’s contract and compensation and sends recommendation for revisions to Chair Henson

**September 2020:** Board takes action on any changes to Dr. Box’s contract and compensation. Dr. Box will present his 2020-21 Goals and Objectives to the Board for approval.
OVERARCHING VISION DRIVERS FOR 2019-20

In 2016, the KCTCS Board of Regents approved a revised vision statement for KCTCS as part of the development of The Future in Focus: KCTCS Strategic Plan 2016-22. Our new vision is “to be a world-class system of colleges educating Kentucky’s globally competitive workforce.” Vision statements help lead us into the future, but the question we often face is “how do we know that we are getting closer to validating our vision?” Or, to put it differently, “what does ‘winning’ look like?”

At our May 2019 retreat of the KCTCS President's Leadership Team (PLT), our guest speaker Mr. Bill Samuels, Jr., the retired president of Maker’s Mark, posed the “winning” question to the PLT. It’s a question that he asked himself before turning his father’s small bourbon-producing company into an international, billion-dollar empire, and it’s one that I have contemplated many times since our May retreat. It’s easy to get bogged down in strategic plans, statewide initiatives, performance funding elements, and goals of our partners...so much so that sometimes we forget the big picture. Thus, I’ve taken a step back this year to consider this simple question, “what does ‘winning’ look like for KCTCS” and to use that question to drive us toward our end goal—being a world-class statewide community and technical college system that produces a globally competitive workforce.

Following the retreat, I again posed the question to the college presidents—pressing them to give me a clear vision of what winning, as a college and a System, would look like. Although their answers varied, some common elements became clear. Based on the feedback of the presidents, below are the three goals and related objectives that I believe will make KCTCS and our colleges winners in 2019-20.

GOALS AND OBJECTIVES

Goal I: Prominence: 
Increase the prominence and visibility of KCTCS within the Commonwealth and across the nation, illustrating that the System and colleges are relevant, responsive, and transformative to our stakeholders.

Objective 1: Tell Our Story within the Commonwealth—Our presidents see this as the number one priority for this year. At a time when the state and national conversations among policy makers debate whether or not a college education has value, we know our data shows that our graduates are being employed and making good salaries. This objective will expand on our “Better Lives, Better Kentucky” marketing campaign from last year to include more success stories from our graduates and testimonials from stakeholders with a focus on how KCTCS is relevant, responsive, and transformative.

Objective 2: Maintain and Expand National Recognition—In the last couple of years, KCTCS has gained national recognition that placed our System in Top 10 rankings in
various categories. In addition, I have continued to serve on national boards, working groups, and organizations in order to influence federal policy and to help reinforce KCTCS’ status as a national leader in community college education. This objective will focus on maintaining and expanding the national recognition of not only the System but also of our individual colleges.

**Objective 3: Meet Employers’ Expectations**—Companies are major stakeholders for KCTCS as they hire our graduates. This objective will focus on meeting the expectations of employers while acquiring their support to advocate for the System with Kentucky’s policy makers.

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**Goal II: Growth:**
*Focus on enrollment growth, student persistence, and student success by affirming affordability, shortening time-to-degree, and scaling innovation.*

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**Objective 1: Affirm Affordability**—The media and policy makers tend to frame higher education as “unaffordable” because of rising tuition rates across all sectors of postsecondary education. And, although KCTCS’ tuition is still less than half of all of Kentucky’s four-year public universities, we do have some students who struggle with paying for a college education. This objective will focus on educating students on the availability of financial resources—including federal and state financial aid, scholarships, and student loans. In addition, this objective will promote to the general public our affordability and our return-on-investment (ROI).

**Objective 2: Shorten Time-to-Degree**—Time is our enemy in higher education as employers want us to turn out graduates faster to meet their workforce shortages and as most adult students struggle to commit to two years or more to complete a credential. I have been promoting recently that KCTCS puts students on the “career freeway” with five distinct on-ramps (dual credit students, high school graduates, adults returning to college for a new career, GED-seeking students who co-enroll with us, and working adults who “upskill” through our customized workforce training opportunities) that get students started on their career journey. But more importantly, the freeway provides multiple exit ramps that allow students to leave us after earning short-term certificates and going directly to work or to move quickly through degree programs that include an apprenticeship or work-and-learn experience that gives them a leg up in their future employment. This objective will initiate new or expand on known best practices that will shorten the time it takes for students to obtain a college credential.

**Objective 3: Scale Innovation**—Although promoting our affordability and shortening our time-to-degree should attract more students to our colleges, the ability to sustain enrollment growth, increase student persistence, and obtain a higher level of student success is dependent on scaling innovation throughout our System. For the last two years, I have dedicated three-quarters of a million dollars in innovation grants to our colleges.
Seven different colleges have received those funds. This objective will focus on scaling these proven initiatives and rewarding even more innovative proposals that will help grow our enrollment, especially among our adult population.

**Goal III: Sustainability:**

*Improve the fiscal health of the System and colleges through advocating for the Commonwealth to reinvest in higher education and by seeking alternative revenue sources.*

**Objective 1: Advocate for Reinvestment**—This spring the General Assembly will be considering the 2020-22 biennial budget. After a disinvestment in higher education funding for 11 straight years, there is hope that the legislature will find additional funding for KCTCS as well as our eight public universities. Specifically, KCTCS will be requesting: 1) to fund the Performance Funding pool at the requested level of the Council on Postsecondary Education, 2) to increase the dual credit tuition rate from one-third the KCTCS tuition rate to one-half our rate, 3) to award a special multi-million dollar allocation to KCTCS to expand our registered nursing programs at each of our 16 colleges, and 4) to fund an Asset Preservation pool that will allow KCTCS colleges access to millions of dollars for upgrading current facilities. However, there will be many competing requests for the General Assembly to consider. This objective will focus on the role KCTCS employees, students, and stakeholders will play in advocating for this reinvestment.

**Objective 2: Grow Alternative Revenue Sources**—Kentucky is one of the few states in the nation which is overwhelmingly funded by state appropriations and tuition dollars. The reductions in state funding and the limited tuition-rate increases have meant that our colleges’ operations have suffered and that we have not been able to give meaningful salary increases to our faculty and staff. This objective is focused on developing new and expanding existing alternative revenue sources. In addition to securing more local, state, federal and private grants, this objective will call for more solicitation of private investment in our colleges and for additional philanthropic endeavors. If achieved, the additional resources will help us shore up operational necessities and better position us to consider increasing employee compensation in 2020-21.
2.5 KCTCS President’s Performance Review

In accordance with the statutory authority of the Commonwealth of Kentucky, the Board of Regents of KCTCS shall exercise jurisdiction over KCTCS. This policy establishes the personnel rules for the annual performance review of the KCTCS President by the Board of Regents.

The purpose of the President’s annual performance review is to assess the individual performance of the President, the effectiveness of the President’s leadership of the System, and the President’s commitment to the progress of the System.

The performance review shall include the following elements:

1. An established performance review period;

2. An established performance review schedule that indicates the manner and timeline for the presentation of performance and assessment data;

3. The President’s assessment of his or her accomplishments, progress in established performance objectives, and satisfaction of job duties and responsibilities; and

4. The Board’s assessment of the President’s accomplishments, progress in established performance objectives, and satisfaction of job duties and responsibilities.

The Board of Regents shall establish process and procedure for implementing the requirements of this policy.

6-10-05 9-18-15 6-10-05; 9-18-15
Date Approved by Date of Last Review Date of Last Revision
KCTCS Board of Regents

SIGNATURE ON FILE
Chair, Board of Regents

9-18-15

SIGNATURE ON FILE
President, KCTCS

9-18-15

Date
Procedures for the Evaluation of the President of the
Kentucky Community & Technical College System (KCTCS)

Authority for Procedures: These procedures are created and implemented pursuant to the authority of KRS 164.350(1)(b); KRS 164.360(1)(b); KRS 164.365; KRS 164.5807(1); KCTCS Board of Regents Policy 2.5; and the KCTCS Board of Regents Bylaws Section 13 (Rev. June 12, 2009).

Purpose of President’s Evaluation: The purpose of these procedures is to ensure the proper evaluation of the President of the KCTCS in accordance with the duties of the President, and the goals and objectives established by agreement between the Board and President and by vote of the Board as delineated herein.

Accountability: Periodic evaluation of the President reinforces the value of accountability for the President’s decisions and actions in providing leadership for the KCTCS, one of the nation’s premiere community and technical college systems. By setting a timetable and framework for the President’s evaluation, the KCTCS Board of Regents provides a tool for assessing leadership and institutional goal achievement.

Procedures: The Board of Regents shall perform a Presidential evaluation on an annual basis and in compliance with all laws, KCTCS policies, and contractual obligations.

1. Performance Review Period: At the start of the performance review period, the Board, a special committee of the board appointed pursuant to the KCTCS Board of Regents Bylaws, or the Board’s designee shall meet with the President to determine the goals and objectives on which the President shall be evaluated in alignment with the duties of the President as set forth in the Board of Regents Bylaws.

2. Approval of Goals and Objectives: The goals and objectives shall be reduced to writing and considered for approval by the Board. If the Board meets as a whole with the President, the Board shall approve the goals and objectives for evaluation at the meeting between the President and the Board. If the Board designates a special committee or a designee, the Board shall act upon the recommendation of the committee or designee at the next regular meeting of the Board.

3. Evaluation Form: The Board shall develop an evaluation form based upon the goals and objectives negotiated by and between the President and the Board and approved or ratified by the Board.

4. Board Participation: All Board members who are properly authorized to participate shall fulfill their duty to the KCTCS through full participation in the evaluation process for the KCTCS President. Participation shall include completion of the approved form for the Annual Evaluation of the President’s Performance and Effectiveness.
5. **Report:** Once all evaluation forms are completed and returned, the Board Chair, the chair of the special committee of the board appointed pursuant to the KCTCS Board of Regents Bylaws, or the Board’s designee shall prepare a written report analyzing the data which shall be provided to the Board and the President.

6. **Opportunity to Respond and Append:** The Board shall provide the President with the opportunity to respond to the analyzed, compiled, and reported data. The President may respond through a written report to the Board based upon the established goals and objectives.

7. **Final Evaluation:** The Board and the President shall meet to review its written evaluation report along with the written response from the President, if any. After approval by the Board, the Board’s written evaluation report along with the written response from the President, if any, shall become the Board’s final evaluation of the President. The President’s evaluation report shall only be considered final with the appended response, if provided. The final report shall be made available to the public pursuant to the Kentucky Open Records Act.

8. **The Board may, on a periodic basis, opt to invite external input to this evaluation.**

**Review of Evaluation Process:** The Board may annually review the process for the KCTCS President’s Evaluation or may elect to review at a period of no longer than three years. Last review was February 5, 2019.
Procedures for the Board of Regents Officer Elections  
Kentucky Community & Technical College System (KCTCS)

Authority for Procedures: These procedures are created and implemented pursuant to the authority of KRS 164.321(11); and, KCTCS Board of Regents Policy 2.1.

Purpose of the Election Procedures: The purpose of these procedures is to ensure for fair and transparent elections of the Board of Regents Chair, Vice Chair, and Secretary, and other such officers as the Board may deem necessary.

Procedures: The Board of Regents shall elect from its membership a Chair, Vice Chair, Secretary, and such other officers as it may deem necessary, at the annual June Board meeting, for a one-year term, and in compliance with all laws and KCTCS policies. A Chair may not serve for more than two consecutive one-year terms, but there is no term limit for Vice Chair, Secretary, and other such officers.

1. Appointment of a Nominating Committee: Before the June Board meeting, the Board Chair shall appoint a Nominating Committee consisting of three to five Regents and designate a committee chair. The Nominating Committee is an ad-hoc committee which shall operate at the discretion of the Board Chair. Membership of the committee, once determined, shall be announced to the Board of Regents. Members of the Nominating Committee are ineligible to run for an officer position, regardless of whether his or her nomination comes via the Nominating Committee or from-the-floor; therefore, if a Regent is seeking election or would accept a floor nomination and is asked to serve on the Nominating Committee, he or she should decline the invitation.

2. Role of the Nominating Committee Chair: The Nominating Committee Chair shall establish a deadline in advance of the June meeting by which any Regent may submit nominations, including self-nominations, for Board officer positions.

Before or at the close of the deadline, the Nominating Chair shall contact each nominated Regent and request the submission of a statement of interest and qualifications (see Appendix A). Regents may attach brief accompanying documents to their statement of interest and qualifications (such as a résumé). To be considered for a position, a Regent must submit a statement of interest and qualifications to the Nominating Chair; those who do not will be disqualified.
If a Regent wishes to withdraw his or her nomination before the election, he or she may do so by expressing this to the Nominating Chair. If a Regent wishes to be considered for other positions other than for what he or she was nominated for, he or she shall express this interest to the Nominating Chair. The Nominating Committee will only consider Regents for the positions for which they were nominated and for which they have expressed interest. The Vice Chair is not a Chair-Elect and therefore does not automatically “inherit” the Chair position.

The Nominating Committee Chair shall collect and compile the statements of interest and qualifications, along with any attachments, from the Regent candidates in advance of the Nominating Committee meeting. These documents shall be distributed to all members of the Nominating Committee at or before the meeting.

3. **The Nominating Committee**: The Nominating Committee may hold a special meeting to conduct its business or may meet during the June meeting dates in advance of the full Board meeting.

The Nominating Committee is charged with receiving and considering all nominations for officer positions (other than from-the-floor nominations) and making a recommended slate of nominees to the full Board. The Nominating Committee has wide discretion in selecting nominees and should nominate qualified candidates who can and will make decisions that promote the best interests of KCTCS and that facilitate its mission objectives. The committee shall not conduct any independent inquiry or consider in its deliberations any improper or untimely submitted item. Discussions had by the Nominating Committee shall be confidential to the Committee in order to allow for free and open discussion.

The Committee Chair shall call the vote for nominations for each individual position to create the slate of nominees. A simple majority vote shall carry.

In the event of a tie, the Assistant Secretary shall blindly draw one name of the candidates from the tie pool to serve as the nominee.

4. **Board Action**: The Nominating Committee Chair shall make the Committee’s report to the full Board at the appropriate time. For each position, the Committee Chair shall announce the Committee’s nominee. The Committee Chair need not explain the deliberations or opinions about why a nominee was chosen or which other candidates were considered, as the Committee discussion should remain confidential.

Following the announcement of the Committee’s slate, the Board Chair shall open the floor for debate and discussion. Once a reasonable time for
debate and discussion has occurred, the Board Chair shall call for a *Motion to Vote the Slate*. If the motion carries, the Board Chair shall call the vote on the entire slate of candidates at once, as recommended by the Nominating Committee. In this instance, no floor nominations will be considered and the election of officers will be completed.

If the *Motion to Vote the Slate* does not carry, the Board Chair shall call the vote on each officer position individually in the order of Chair, Vice Chair, and Secretary. For each position, the Board Chair shall call for nominations from the floor and allow a reasonable period of time for such nominations. Any Regent may make a floor nomination, including self-nominations.

Regents nominated from the floor shall accept or reject the nomination. Candidates who accept a nomination from the floor may make a statement when they accept the nomination to indicate relevant information about themselves and the reason for their acceptance.

After all nominees from the floor have been announced and acceptance or rejection has been indicated, the Board Chair shall call for the vote. At this time, Board members may vote on all nominees, whether recommended by the Nominating Committee or from the floor for the positions for which they were nominated.

It is at the discretion of the Board Chair to determine how to take the vote (voice, secret ballot, show of hands, etc.). The votes for each position shall be tallied and recorded into the minutes. If the vote is by written ballot, all ballots are subject to review by any Board members. Each vote shall be announced before proceeding to the next officer position and allowing for nominations from the floor.

**Review of Procedures:** The Board may review these procedures as needed, subject to the discretion of the Board Chair.
Appendix A: Statement of Interest and Qualifications

KCTCS Board of Regents Elections

Statement of Interest and Qualifications for Board Officer Position

Name: ____________________________________________________________

For what position would you like to be considered? _________________________

If you are not chosen for this position, may the Committee consider you for other positions? If so, please indicate which:

____________________________________________________________________

Please indicate whether you are appointed or elected: ________________________

If elected, please specify whether you are faculty or staff, and indicate your college:

____________________________________________________________________

How long have you served on the Board of Regents?

____________________________________________________________________

Have you previously held an officer position? If so, when?

____________________________________________________________________

Please explain why you wish to serve in the position and your qualifications for such service. You may attach a resumé or other brief documentation for the Nominating Committee to review.
<table>
<thead>
<tr>
<th>College</th>
<th>Project Title</th>
<th>Total Budget</th>
<th>Bond/ General Funds</th>
<th>Restricted/ Other Funds</th>
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<tr>
<td><strong>BOND/GENERAL FUND PROJECTS - ASSET PRESERVATION/RENOVATION PROJECTS</strong></td>
<td></td>
<td></td>
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<td></td>
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<td>1  KCTCS</td>
<td>KCTCS College Safety and Security Pool</td>
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<td>KCTCS College Deferred Maintenance Pool</td>
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<td>Renovate Main Campus Buildings - Additional Funding</td>
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<td>5  Jefferson CTC</td>
<td>Renovate Hartford Building</td>
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<td>Renovate Pineville Campus</td>
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<td>Renovate and/or Construct Administration Building</td>
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<td>1  Somerset CC</td>
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## SUMMARY
### 2020-2022 CAPITAL BUDGET REQUEST
#### KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

<table>
<thead>
<tr>
<th>College</th>
<th>Project Title</th>
<th>Total Budget</th>
<th>Bond/ General Funds</th>
<th>Restricted/ Other Funds</th>
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<td>Construct Transportation Training Center - Technology Drive</td>
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KENTUCKY COMMUNITY TECHNICAL COLLEGE SYSTEM
BOARD OF REGENTS MEETING
September 12, 2019
9:06 a.m.
16, 2015. The President’s Contract Review Committee met on August the 5th of 2019 at the System Office, it was an open meeting. The press was invited. All of you were sent an invitation. Nobody came from the press and we didn’t have any participating from any other board members who were invited. The minutes in the document are attached as Attachments AG, Agenda Item G1. The minutes were approved by the committee by email. So after Damon gets -- does his presentation I’d like to remind everybody about voting protocol. The faculty and staff are ineligible to vote on this matter and must abstain. According to KCTCS Board of Regents Bylaws, Section 8.2.1, Matters on which members may vote, "All members of the Board may vote on all matters coming to
the Board for consideration, except that pursuant to KRS 164.289 and OAG 018, the two members representing the faculty and the two members representing non-teaching personnel shall not vote on individual compensative matters for themselves or other individual employees of KCTCS."

However, the Faculty and Staff Regents are encouraged to participate in the discussion about Dr. Box’s contract and compensation. Our two Student Regents may vote, but remember that under our bylaws student votes count for half a vote.

Lisa and Chris may vote via Skype. If there are no questions about how we got here or what our responsibility is today I will turn it over to Regent Allen now.

MR. ALLEN: All right. Thank you, Madam Chair. The President’s Contract Review Committee having a quorum
and being dually conveyed met at the main office of the Kentucky Community and Technical College System on August 5, 2019 at 10:02 a.m. The committee discussed Dr. Box current compensation as well as historical changes in his compensation. The committee also discussed whether or not a change in Dr. Box’s compensation is warranted. After determining that Dr. Box’s performance as documented in his 2019 evaluation warrants additional compensation, the committee discussed a number of alternatives before deciding a recommendation outlined on page 47 of your materials. As part of that discussion the committee also considered the compensation of Dr. Box’s predecessors as well as his peers both within the Commonwealth and across the country. The result of that discussion was a recommendation.
included in your materials. Upon approval of the recommendation in the materials I personally thought a prudence governance that someone from the committee would reach out to all of the voting Regents to ensure that they are aware of the recommendation well ahead of today’s meeting in order for them to have ample time to prepare questions and concerns around the recommendation. Since I made that recommendation to contact the voting members I volunteered to contact them myself. Following that discussion the meeting concluded with a separate discussion of recommendation that Dr. Followell secure quotes on long term care insurance on behalf of Dr. Box and for presentation to the Board of Regents at today’s meeting. There being no further business
the meeting adjourned at
approximately 12:12 p.m. As I
mentioned I suggested a volunteer
to contact voting Regents for the
sole purpose of ensuring that
they were aware of the
recommendation regarding Dr.
Box’s compensation. I began each
call by noting that the call was
informative only and not an
attempt to garner votes one way
or the other. When I called
voting Regents there was no
quorum present and there was no
attempt to circumvent the bylaws
of this board or the statues of
the Commonwealth by myself or any
of the other Regents. Again, the
purpose was solely to inform
Regents about the upcoming
recommendation of the committee
and no decisions were made on any
of those calls. In my short
tenure on this board it appears
to me that there is room for
improvement in how the Board communicates with each other, so I viewed this as a good opportunity to strengthen our communication, nothing more, nothing less. I am disappointed that certain Regents mistook my sincere attempt to ensure that all Regents were well-informed of the committee’s recommendation prior to today’s meeting as advocacy on behalf of the Compensation Committee or Dr. Box. That is simply not the case. Finally, it should be noted that acceptance of this report does not constitute approval of the recommendation including in your materials. In fact, following the motion to accept this report I make a separate motion that the Board discuss Dr. Box’s contract including his current and future compensation. Madam Chair, with
that I have no further comments
and this concludes my report.
And I request a motion on behalf
of the committee that the Board
accept the report.

MS. HENSON: Coming from a committee it needs
no second. So now we’d like to
open the floor for discussion.
So before we discuss I’d like to
ask Wendell Followell how you
arrived at these numbers and if
you would take out the materials
that you have, I gave you each a
copy, a hard copy yesterday with
the comparisons, and so --

MR. FOLLOWELL: (Inaudible).

MS. HENSON: Can you explain a little bit
about the history of the
Executive Supplement, because I
think that has come as a surprise
to some people, especially the
new people.

MR. FOLLOWELL: (Inaudible).

MS. HENSON: So an Executive Supplement is not
really hiding money, it’s just --
MR. FOLLOWELL: (Inaudible).

MS. ???: And if you get a percentage increase on your salary that’s not --

MR. FOLLOWELL: That does not change.

MS. ???: The base salary is what the percentage it increases up to?

MR. FOLLOWELL: (Inaudible).

MS. ???: What about (Inaudible), does it affect that?

MR. FOLLOWELL: No, that’s not part of the (Inaudible).

MS. ???: Okay.

MS. ???: Wendell, can you explain to the group the differed compensation which accrues annually, because as I understand it it’s of course differed for -- as noted here to (Inaudible). What is the protocol for investing that? Is that a cash investment? Is it accruing at a 2.25 percent standard savings account rating? How does that work?

MR. FOLLOWELL: Typically on deferred
compensation it will be a 457(f) Plan, often times called a --
people refer to it as golden handcuff typically, because they didn’t want a CEO or a leader to stay and remain with you. It’s the (Inaudible), for example Eli (Inaudible) had one that was -- or has one that has $120,000 per year for each year that he stayed at that (Inaudible). It went to $178,000 and also suggested for the prior years he was paid out $688,000 at that time for staying a number of years, he has moved forward, I think if he stays through 2021 or ’22, I forget the exact number, the 178,000 will be set aside per year and he would have to stay that entire time, so if it’s three years/two years, whatever it happens to be, he would have to stay there in order to receive that. Upon completion of that, successful completion,
whatever criteria was put in place, in this case longevity, then that would have to be awarded to him. In Dr. Box’s case it was suggested two years, that can be -- that’s the discretion of the Board as to what that time period would be (Inaudible).

MS. DESMARAIS: So is there no interest that’s accruing? It’s just a flat dollar amount?

MR. FOLLOWELL: A flat dollar amount or that’s the decision of the Board, they can make it as they wish.

MS. ???: But that was the recommendation?

MR. FOLLOWELL: As recommend -- it was a flat dollar amount per year.

MR. ???: And that’s pre-tax; correct? It’s 100,000 that gets paid out and you take out your regular tax?

MR. FOLLOWELL: (INAUDIBLE).

MR. ???: Post-tax, okay.

MS: ???: It was net.
MR. FOLLOWELL: Right.

MS. DESMARAIS: And is it 100,000 per year, the way this is written or in total?

MR. FOLLOWELL: No, that was per year.

MS. DESMARAIS: Per year, thank you.

MS. ???: After two years it’s $100,000, not 200?

MR. FOLLOWELL: No, it would be 200 (Inaudible).

MS. ???: (Inaudible).

MR. ???: So my interpretation of the committee’s action was it would be $100,000 paid after the completion of two years, you know, of satisfactory (Inaudible).

MR. FOLLOWELL: That’s not how we understood it. I understood $200,000 per year to accrue for two years, if you will (Inaudible) $100,000, $200,000 would be paid out at the end of 2021 (Inaudible) of the Board.

MS. HENSON: And originally we proposed that there be a bonus in there and then it was decided that the executive supplement paid would
not -- we would propose that
instead of a bonus.

MR. FOLLOWELL:  (INAUDIBLE 14:53:12 to 14:53:50)

MS. DESMARAIS:  Wendell, so a simple math point
of clarification the way these
two bullet items read, if in fact
the two-year period came to pass
and the Board was implying to
honor this as outlined it would
be a total of $300,000, 50, 50,
100, 100, total 300,000? Is that
correct on my math?

MR. FOLLOWELL:  Yes.

MS. DESMARAIS:  Thank you.

MS. HENSON:  Okay. So you’ve heard the
recommendations. You’ve seen the
comparable data and you can see
how the salary is currently less
than Eastern, Northern, of
course, UK and UofL and Western
for producing 48 percent of the
undergraduate degrees and 106,000
students. Shae is our only
employee, so we want to say
you’re doing a good job and this
is the recommendation that we came up as a way to say you’re doing a good job. So whatever questions or discussion?

MR. ??: I think that we have a problem, because we have two committee members that were all there and had different interpretations and what is presented. And so, I’m going to be sure, what are we voting on, what percentage or their interpretation, because their interpretation was not on anything presented. So we need to get -- my question is, we need to get clarification about that, so I know when I -- when I vote what I’m voting on.

MR. ??: So I’ll opine a little bit on this from a place of great caution and to be clear to everyone on this room. I’ve heard rumors around the Commonwealth that this is some personal issue of mine, it is
not. I’m simply trying to do the right thing and be a good corporate governor and be fair to Dr. Box, if he performed he should be (Inaudible) and compensated. So my recommendation to the committee, for purposes of discussion would be, first talk about the executive allowance and see if we come to an agreement on that and then talk about a bonus. And words are important, because in my world I get different compensation, it does not accrue as presented, in other words if it’s 50K in two years, as long as I stick around and perform well I get 50K at the end of the two years. I don’t get 100K. So we need to clarify that. So I would just recommend that what we discuss first is the executive allowance and then any differed compensation just to get the
conversation moving.

MS. HENSON: So basically we’re separating out

the motion?

MR. CZARAPATA: That would just be my

recommendation.

MS. HENSON: Okay.

MR. CZARAPATA: That’s mine anyway.

MS. HENSON: Okay.

MR. CZARAPATA: Anyone’s can be different.

MS. HENSON: So let’s talk about that. All

the cabinet members get an

executive allowance, it’s been
done for 20 years. All the

presidents get an executive

allowance. For some reason the

president has not gotten an

executive allowance. If you’ve

read the materials about what

Mike McCall’s salary was and his

housing allowance $90,000, that

housing allowance is no longer

possible by statute. So there

are no extra things. So the

executive supplement is something

we thought we should do, because
its done with every other cabinet
member. So does anybody have any
questions about an executive
supplement? So do I hear --

MS. ???: I guess I have a question. So
we're talking about the KCTCS
employees get the supplement, but
I was looking here as far as the
president’s that were on here,
not -- that don’t get it. So I
was wondering how that --

MS. ???: (Inaudible).

MS. ???: Presidents of the college, our
college --

MS. ???: Your college, our colleges.

MS. ???: Right. But I was referring to
this document as for the
presidents of these colleges,
they didn’t get any. So I was
just wondering -- so we’re not
comparing this to that
(Inaudible).

MS. HENSON: Not in this case. We’re just --

MS. ???: (Inaudible).

MS. HENSON: We’re just suggesting that we
bring Dr. Box into alignment with what the other executives get.

MS. ??: In our own system?

MS. HENSON: Uh-huh.

MS. ??: But not in regard to this?

MS. HENSON: Right.

MR. ALLEN: And part of my understanding of the discussion was, there wasn’t an appetite for a raise, because that has long term inflationary pension impact etcetera. So the thought was, at least with the allowance you do somewhat have the same effect of a raise, but it’s not something that is unfamiliar to the system. All 16 of Dr. Box’s direct reports received a $30,000 allowance annually. He has never received an executive allowance, so the thought of the committee was at a minimum -- so the thought of the committee was that at a minimum that he should at least get an executive allowance to at least
bring him in line with his direct reports and whether that’s 30,000, 10,000, 50,000, as recommended that’s for us to decide.

MS. HENSON: Questions?

MS. ??: See I think that’s where I did not realize and maybe I should have known, but I did not know that -- that the $30,000 was (Inaudible). I was under the assumption that it was all about the compensation of presidents across the country. So I didn’t realize that that’s what your vote was passed on, you know, passed on just KCTS and how that was --

MS. HENSON: And it’s just bringing up --

MS. ??: I didn’t realize that that’s what was happening.

MS. HENSON: To correct that, each president gets a different amount depending on their size and capacity, but each of the cabinet members gets
the $30,000 executive allowance. So one college might get 12,000 and another 24,000 depending on their size and capacity. But the president -- they all get an allowance and have for 20 years.

MR. STEVENS: Madam Chairman, I need you to clarify that. I thought all of the presidents, plus the cabinet members got the $30,000.

MS. HENSON: No. Lake Henderson gets 12 and JCTC gets 24. Other questions?

MS. ??: So it’s up to them now?

MS. HENSON: But the cabinet members to retain them, because they could make a lot more in other communities. Questions? So do I hear a consensus that we agree on the executive supplement of $50,000?

MS. FINAN: No.

MS. HENSON: Okay. So Karen?

MS. FINAN: It’s too much. (Inaudible)

MS. HENSON: Okay. For example -- for the Regents, Karen said, that’s too much.
MS. FINAN: Yes.

MS. HENSON: Okay. All right.

MR. CZARAPATA And for Lisa and Chris, Karen is a trooper she’s lost her voice, but she’s made it here and she’s participating.

MS. HENSON: Other thoughts? Lisa, your thoughts about an executive supplement?

MS. DESMARIAIS: Are we splitting this motion?

MS. HENSON: Yes.

MS. DESMARIAIS: -- I guess. My question, so the first motion is the executive supplement $50,000 payable annually; correct?

MS. HENSON: Right. Uh-huh, (affirmative). What are your thoughts on that? We’re still discussing.

MS. DESMARIAIS: I just wanted to make sure I understood it. That’s all.

MS. HENSON: So what comments do you have?

MS. DESMARIAIS: None at this time.

MS. HENSON: Okay. Anybody else? Marsha?

MS. ROTH: I want to point out that in the Committee Report it said, "During
discussion all committee members reached the unanimous decision of President Box’s compensation, the contract needed some revisions to recognize him and the significant work he has completed in his tenure," and so, I’d like to speak to that. Serving as chair for four years, Dr. Box has more than amazed me in his ability to not only do work in the system to keep the student’s interests and need above everybody else, to be contingent of the hard work of the faculty of the staff and still do the duty that he needs to do to make sure that -- especially in the beginning, we repaired the standing of KCTCS in this Commonwealth. And in order to do that he had to do something that we don’t seem to be able to do either statewide or nationally and that is talk to people on both sides of the aisle. And any
of us who have been to Frankfort
can tell you that KCTCS is
standing, is in great shape, that
people hold up to Box by -- they
understand his integrity, his
committee, his passion for this
system and they applaud what he’s
done to make us what we all want
to be, which is a world class
institution. That doesn’t happen
because he takes this as a job
that doesn’t require more than 80
hours a week. When you compare
his salaries with the other, even
in addition to $50,000, he has
not been compensated in my mind
in a way that reflects the value
that he has to this system. He
is a point of pride for me when I
say I’m Chair of the Board of
Regents, when I did, to hear
exactly what people thought about
Dr. Box. When you have someone
who is a star you have to
compensate them. It’s great that
this Board every year that I’ve done the evaluations tells me how much they appreciate and reflect on the good work that he’s done. That’s not enough. It’s just not enough. That’s worth -- that’s worth (Inaudible). You have to compensate people in order to retain them. You have to compensate people in order to reflect what their value is to this system. To me the $50,000 executive allowance is pretty much a no-brainer. If every single president of this system gets an executive allowance, if every member of the cabinet gets an executive allowance, what we’re doing and what I would be happy to tell anyone who questioned was putting Dr. Box in the same place as other people who we count on to keep us going in the right direction. And yet, if you don’t have the person at
the top showing the leadership
and the guidance then it almost
doesn’t matter what everybody
else does and in order to, again,
reflect how much we value this
president that we are very lucky
to have hired, I believe this is
the least we could do. I will
also tell you, from a point of
history, that I served on the
search committee as did Chair
Henson and I think anybody -- any
other member of the Board of
Regents? We had (Inaudible), so
we had a search committee; right,
and it was big, was it not? And
we had -- we had staff who was
the national search committee
group (Inaudible) and the
provided us with national
candidates and we had one or two
local candidates and Dr. Box was
head and shoulders above anybody
that we saw and I believe we got
him at a bargain and now it’s
time for us to step in and say, after five years he shouldn’t be a bargain, he should be compensated the way his work has been for this organization.

MS. HENSON: So thank you, Marcia. Any other thoughts about executive supplement or the amount?

MR. ??: I’ve got a question for (Inaudible). Do we vote on this and then can you come back at another proposal going forward, because I heard a chairman that she thought that it was too much, the $50,000? I mean can you make another motion for less than the 50,000?

MR. CZARAPATA: Yes, you can.

MR. ??: What’s the proper procedure?

MS. HENSON: We can amend the motion.

MR. CZARAPATA: We can amend the motion, yes.

And in fact, we do need to amend this motion if we’re going to vote on them --

MS. HENSON: Okay.
MR. CZARAPATA: -- separately.

MS. HENSON: Okay. So point of order, I think I’ll separate the motion.

MR. CZARAPATA: I think -- yes.

MS. FINAN: (Inaudible).

MS. HENSON: So would you like me to entertain a motion that we separate?

MR. ??: Yes, I would.

MR. CZARAPATA: Yeah.

MR. ??: I’d like to separate them.

MR. CZARAPATA: And I think we need to address the competence of the members on the video to understand her comment.

MS. HENSON: Lisa and Chris, what was -- Karen said was that the overall package combination was too rich, so I’m going to propose that we have a motion to separate the executive supplement suggestion from the deferred compensation. Do I have a motion to that effect?

MR. ??: (Inaudible).

MS. HENSON: Okay. Do I have a second? Do I have a second to separate the
MR. STEVENS: Repeat the motion.

MS. HENSON: The motion that we would consider each item individually. So we’ll consider executive supplement first and vote on that and that way we’ll look at the issue of deferred compensation as a separate motion.

MR. CZARAPATA: So I second that we separate the motions and consider them independent.

MS. HENSON: Any discussion on that? All those in favor say aye. Opposed? Okay. All right. So let’s go back to the --

MR. CZARAPATA: The motion carried.

MS. HENSON: The motion carried. Okay. So let’s look at the idea of the executive supplement. So We’ve made the recommendation and this is with -- in conjunction with Wendell Followell’s research knowing that the cabinet is given $30,000. So any discussion about
the $50,000 or another
suggestion?

MS. DESMARAIS: Chair Henson?

MS. HENSON: Yes.

MS. DESMARAIS: I would just like to say I
listened carefully to the
thoughts and words of Chair Roth
and I agree with one of the
statements she made which is that
in order to keep people you do
need to compensate them
(Inaudible) and I would like to
reiterate that those words in
reference to our faculty and our
staff.

MS. HENSON: Okay.

MS. DESMARAIS: And we have not been able to, in
the last couple of years, do
certain things for our faculty
and staff that we would like to
do, and I think that’s an
important point for the Board to
consider.

MS. ??: Point of clarification. We only
have one employee, so taking up
the situation with faculty and staff, and I think you know how much this board historically has cared about the salary and situation with the faculty and staff. That is not the subject of what we’re talking about now. This board has one staff member and it is the president of the organization, and so, to -- so I believe that money is the water to throw in compensation for faculty and staff, because that is not something that this board has total responsibility for.

MS. DESMARAIS: It was only a comment, it is not intended to take action. I understand clearly we have one employee in the cabinet.

MS. HENSON: And, Lisa and to all, the question about faculty and staff raise is a really important one. Each percentage of raise -- each percent of an increase cost $2.5 million to the system and because
the state appropriation has been cut each year for the past 11 years and we’re in a time of performance funding and a lot of money is tied up with the pension debt, the Board of Regents wanted to give a raise this year to the employees, staff/faculty, but it was not possible to provide a recurring increase among other things, because the uncertainty of the pension, the limited tuition increase and the one-third rate of dual credit. I think we’re losing $15 million, is that right, because of dual credit. So it is undisputed that a salary increase is well deserved for all the hard work. So the best we could do is not add to the base, but to give everybody a one time payment of $1,000 in October for those that met the specific criteria. The additional one time payment
reflects the role in KCTCS’s accomplishments. The one time payment of $5.8 million that this will cost will come from reserves and not from the recurring operating budget. So the discussion of executive compensation is one thing. The need for a raise is on the table. The CPE budget request is going in the last part of October/first part of November. All these factors have to align. Our tasks today is to deal with our fiduciary responsibilities of Jay Box’s contract. Other thoughts? Damon, do you have anything else to say?

MR. ALLEN: So I felt based on the motion we’re discussing whether or not to increase the executive allowance (Inaudible). And what I’ve heard some of the Regents say that they think the package in totality is probably too rich,
but I’d just ask the other Regents, just on the executive allowance, is there a number, besides zero that we could agree upon, and if zero is the number that is the number, and just say that’s the number and just realize that sends a message. But we need to make a decision, it’s either zero or something greater than zero and we need to decide.

MS. ??: I just have a comment and it’s just for my own clarity. I didn’t know until just this past week about any of the executive allowance and (Inaudible). It might be helpful, it would be at least to me, I’m just a slow learner, but it might be helpful to reconvene the meeting and have that discussion once everybody has all of the data in front of them, in an effort to be fair. I mean I kind of feel like I came
prepared to make a vote and now we’re doing something completely different and it’s kind of an on the fly, I don’t like that feeling. I would rather have some time to talk through it and learn more about the way these compensation packages are set up. I certainly was not aware that -- my understanding walking in here today was all the presidents and the cabinet all got $30,000 and now I’m hearing that’s not the case. And so, again, just (Inaudible) so I can better understand it, because I absolutely agree Dr. Box is -- he’s doing a stellar job, but I need to understand that a little bit better.

MS. FINAN: It’s hard to put (Inaudible).

MS. ??: Right.

MS. FINAN: (Inaudible).

MS. ?: (Inaudible) really. And so, if you do one vote then maybe you
don’t feel like you’re being fair the second vote.

MS. FINAN: Right, exactly.

MS. ??: I still like the idea of being able to look at it as a package, whatever that package is going to be, but again, with the transparency of, where are we agreeing with this. You know, when I look at this, and again, I’m slow on the uptake, but when I look at this I see #4 on the list, which I think isn’t bad (Inaudible) and all that, but obviously there’s more to the story that I don’t understand and I would like to understand that to be more, you know, to make sure I’m making a fair vote.

MS. HENSON: John?

MS. ??: And the other thing is that I hate when you try to tie money to someone’s work, it’s very fair. You know, I work (Inaudible) and we have some stellar physicians
and stellar nurse practitioners
and fantastic nurses that we
can’t pay anything near what
they’re worth, just because the
resources are so scarce and I
feel like we’re kind of in that
situation here, given the state
of Kentucky’s problems
financially right now, maybe it’s
just bad timing. But I certainly
would not want Dr. Box to think
that (Inaudible) yes or no on a
compensation package says
anything about what I think his
worth is, as a president, as a
person or anything else. So --

MS. HENSON: Thank you. John?

MR. MCDERMOTT: I would like to (Inaudible) that
I feel that in my short time here
on this board and getting to know
Dr. Box and what he has done for
the KCTCS system that he is
someone who deserves to be
recognized in some manner that he
should receive some type of
additional compensation, and I know that he is our sole employee of the Board and that it is our fiduciary responsibility to address his salary. I do also believe that (Inaudible) receive from Governor Bevin and from (Inaudible) and the General State of Education of Kentucky that the members of the Commonwealth that we serve and represent feel that our education system is in a time of financial crisis and that money is tight and that is across the Board. And I personally move to split these items, because I feel that we could probably all (Inaudible) that we should recognize Dr. Box in someway through an increase and in that (Inaudible) executive supplement that seems like a very reasonable direct unquestionable way to do so, and I also agree that in conjunction with the secondary
rule of handcuffs that the
perception that will be seen by
members of the Commonwealth and
to our faculty (Inaudible)
unfairly treating our executive.
Now, I don’t necessarily agree
that’s an overly ridiculous
amount or by any means he is not
deserving an amount where there
are funds available for us to
give. However, I think that you
could maybe discuss something
more long term and perhaps
continue on and making a
(Inaudible) revisit this in an
additional year or an additional
two years and try to gradually
bring up the amount that we’re
giving Dr. Box.

MS. HENSON: Wendell, where is the money --
where would the money come from
for the deferred compensation or
from the executive supplement,
where does it come from now?

MR. FOLLOWELL: We do have certain (Inaudible).
It’ll be state appropriation as well as tuition and fees, so it’s a general fund. (Inaudible). We do have the resources to be able to accomplish that, that’s not an issue.

MS. HENSON: Marcia?

MS. ROTH: I believe we also have to take into consideration the salary that needs to be paid for this job. In other words, if for some reason we have to go out and hire again what are we going to have to pay for an unknown person to come in and start from scratch and take this job? And it will be, I would guarantee you, and I think Damon might agree with me and Gail for (Inaudible) of this meeting of people who not only are within this system, but also see within the industry and other colleges are paying, we would be paying more. I think with the $50,000 allowance we still have a
budget. We have someone who
knows what he’s doing, knows how
to navigate the very rocky fields
in this state given the timeframe
he had. We’re talking about a
compensation package, and I’m
happy to separate it, but
speaking just for this part of it
that I think we ought to be very
comfortable telling anybody that
passed that this executive
allowance is, again, with an
addition to his salary for the
job that he’s doing and the job
that the -- the salary that is
required for the job he is doing
we are getting value for our
money.

MS. HENSON: We haven’t heard from several
people. Anybody who hasn’t
spoken, want to say anything?

MR. GIRDLER: Chair Henson?

MS. HENSON: Yes. Hi Chris.

MR. GIRDLER: This is Chris. Can you all hear
me okay?
MS. HENSON: Yes.

MR. GIRDLER: I’d like to just say a few words as well, if that’s all right.

MS. HENSON: Absolutely.

MR. GIRDLER: I just -- I want to echo what some of the brighter board members had said about the confusion and not that it was intentional whatsoever, but what seems to be a little bit of a lack of transparency as far as knowing what is being paid to some of the other regional institutions out there. And I do agree that this is no reflection of Dr. Box’s work or his accomplishments. I think that Dr. Box has done a very commendable job. I think he did a great job at Hazard Community College prior to coming to Versailles as a matter of fact. But my -- my opinion is that it’s simply the timing of this. Of course, I’m new to the
organization itself, but given
the past funding issues that the
institution and higher ed has had
overall, it was mentioned earlier
that resources are scarce. I
think that goes without saying.
You know, we’re going into a
budget year within the
legislative session coming up
very soon. You know, it’s just
so many uncertainties of what
future funding is going to be. I
think we, as a board, may need to
know a little bit more of the lay
of the land going forward and
just something for all of us to
consider, but I do want to echo
some of those comments that were
made earlier today. Thank you
Chairs.

MS. HENSON: Thank you.

MS. ROTH: Chris and Lisa, did you get the
-- the chart that showed the
compensation of other colleges in
Kentucky and the presidents of
MR. GIRDLER: Yes, I have a copy of it.

MS. ROTH: Do you have it in front of you?

MR. GIRDLER: I said regional, I meant the other KCTCS campuses.

MS. ROTH: No, I’m not talking about that. I’m talking about UK, UofL, Eastern, Northern.

MR. GIRDLER: Yes, ma’am. I’m aware of that.

MS. HENSON: Okay. The question I think that we have to remember is our responsibility is only for Dr. Box’s compensation.

MR. GIRDLER: When the presidents are hired they are offered a package that the package for their compensation, executive allowance, that’s negotiated by Dr. Box and that was negotiated before by Dr. McCall, so that -- that’s not really in our scope of conversation. The fact that we didn’t know about it, we don’t know about a lot of people’s salaries. So that’s really not
-- we have no -- on --

MS. ROTH: Responsibility.

MS. HENSON: -- responsibility or oversight of that practice. Now, we can come back at a later time to talk about that practice, but that is not our -- in the scope of our fiduciary responsibility, it’s totally counter to it. I would just use my example from working in churches. In churches we give the pastor an allowance -- we give the pastor a base salary, but because the salaries are so low and we want to keep the tax liability down we give a housing allowance; we give a book allowance; we give a professional development allowance, etcetera. So it adds to opportunities for the pastor. So the base does not change, but those other allowances change. So that’s -- I think of ministry and I have four siblings that are ministers
that base -- you keep that base kind of sacred, but you say, "We will encourage you to come to our church because of these other things." So this is done in business and it’s done in the pastorate and it’s done as practice. So our proposal is to give an executive supplement to Dr. Box. So we can talk about -- because he has not had one, everybody else has. So what amount would be appropriate if not 50?

MS. ROTH: 50,000 is on the table.

MS. HENSON: 50,000 is on the table. Do we have any other discussion about that?

MS. DESMARAIS: Chair Henson?

MS. HENSON: Yes.

MS. DESMARAIS: I’d like to say I appreciate your comments (Inaudible), because I think they’re very clear. I’m a little concerned about, worried about, the next president
(Inaudible), you don’t think that is the matter at hand right now? Certainly if Dr. Box were to retire or move on it would be a selection committee appointed and then that committee would need to worry about the next person’s package. So I appreciate you bringing the group back to the matter at hand, which is the proposal for 50,000 for the current sitting president, and so, (Inaudible). I appreciate it.

MS. HENSON: Thank you. Is there any other discussion or questions? So we will vote on this motion for an addition of an annually recurring executive supplement of $50,000 payable immediately. And I’ll ask for a role call vote. Amy? Oh, Mike Murray will do that.

MR. MURRAY: So the motion is to make an additional executive supplement for Dr. Box in the amount of
$50,000. If we’re ready for the vote, Madam Chair, I’ll call the role.

MR. MURRAY: Damon Allen?

MR. ALLEN: I.

MR. MURRAY: Lisa Desmarais?

MS. DESMARAIAS: No.

MR. MURRAY: Karen Finan?

MS. FINAN: No.

MR. MURRAY: Wendy Fletcher?

MS. FLETCHER: No.

MR. MURRAY: Angela Fultz, abstained.

MS. HENSON: (Inaudible).

MR. MURRAY: Chris Girdler?

MR. GIRDLER: No.

MR. MURRAY: Mary Kinney, abstained. Don McDermott?

MR. MCDERMOTT: Aye.

MR. MURRAY: Marcia Roth?

MS. ROTH: Aye.

MR. MURRAY: James Lee Stevens?

MR. STEVENS: No.

MR. MURRAY: Jackie Teehan?

MS. TEEHAN: Aye.
MR. MURRAY: Tammy Thompson, abstained. Mark Wells, abstained. Chair Henson?

MS. HENSON: Aye.

MR. MURRAY: The vote is 4 to 5. The motion fails.

MS. HENSON: Okay. So I would ask, is there a middle ground that we can find for the executive supplement? I’m opening it up to that.

MR. STEVENS: I recommend this -- since there’s several questions about the compensation, that this item be pulled from the agenda and brought back after a lot of the questions have been answered about the one year/two years or what it is to be discussed at a later date.

MS. HENSON: I think that doing nothing sends the wrong message to Dr. Box. Do we think that he’s doing a good job? Yes, the evaluations say so. Were you all invited to the August 5th meeting? Yes. Was there press invited? Yes. Did
you all get the agenda materials a week ago? Yes. And so, I’m perplexed that there weren’t any questions that came at any of those times. So what questions have we not answered that we can answer, because we have Wendell here, we have Damon here, we have Marcia here. Barry Bishop is on a plane, otherwise he would have been here and P.J. Peoples is in a meeting. So what other questions can we answer to help you, so we can say we acknowledge to Dr. Box what a good job you’re doing?

MS. FINAN: I think there is confusion (INAUDIBLE 15:29:46 through 15:30:11).

MS. HENSON: So what dollar amount would be good for an executive supplement.

MS. ROTH: Are you talking about the executive supplement?

MS. FINAN: I’m talking about the whole package.
MS. HENSON: Okay. But the motion --

MS. ROTH: (Inaudible).

MS. HENSON: -- that just failed is only on executive supplement.

MR. STEVENS: And I’ve asked for a motion to remove those and answer those questions, because we have questions about the second compensation and whether it’s carried over and this and that and till we get those answers then we can bring them back and make a decision and we can make it retroactive (Inaudible) retroactive this year.

MS. HENSON: So in terms of point of order, Mike, tell us what the options are procedurally.

MR. MURRAY: James Lee suggested that this be pulled from the agenda, so if that is a motion it needs to be made and seconded. If the discussion is that you want to find out from the other members of the Board what questions needs
to be asked that discussion needs
to be had. I understand there is
confusion or was confusion coming
in today. And so, I think one of
those questions is, exactly what
is the amount proposed.

MS. FINAN: (Inaudible).

MR. MURRAY: Or a revisement.

MS. FINAN: (Inaudible).

MS. HENSON: We can --

MS. ROTH: You’re uncomfortable voting for
the first portion of this because
you don’t -- because there’s
confusion about the second
portion though; right? Is that
what you’re telling me?

MR. STEVENS: No.

MS. ROTH: Okay. Then I’m confused about
your confusion.

MS. ??: What are the executive allowances
of the other university
presidents, are they this
(Inaudible)?

MS. HENSON: That’s not our purview. That’s
not our purview.
MS. ROTH: No, she means -- she said the university. You mean like EKU and --

MS. ??: Yes, the universities.

MS. ROTH: All the perks and different comps are on the list, although I somehow keep --

MS. HENSON: I gave that out to you yesterday.

MS. ??: I saw -- well, (Inaudible) I’m looking and I saw --

MS. HENSON: People handle things differently, like some people get a bonus of $50,000, some people get different compensation. So people do things differently and we can’t speak for other schools, we just want to establish a practice.

MS. ROTH: I think you have to look at what compensation is that’s --

MS. ??: (Inaudible).

MS. ROTH: -- competitive.

MS. ??: And I understand what you’re saying now, but (Inaudible).

MS. ROTH: No, look at the other schools,
but you don’t look at them for --
they may compensate their
presidents in a different way
than we’re suggesting we’re
compensating Dr. Box. So I will
look for the bottom line on all
of them, rather than, you know,
is this piece there or not there.

MS. HENSON: Okay. So --

MR. CZARAPATA: And also to give Dr. Fletcher a
little color, so it does vary --
so for example you take Eastern,
their president is getting
$48,000 a month housing
allowance. So Dr. Box doesn’t
get housing, their president
does. So you add it all up to
(Inaudible), it’s really the
total compensation. So Eastern
gets 473,000, 48,000 in housing
and then 25,000 from the
foundation, so it’s just couched
in different terms. But probably
the biggest thing on the
allowance is it does not accrue
for pension benefits, that’s a different thing. You know, 40,000/50,000 a day 10 years from now is 60/65, 70,000 (Inaudible).

MS. ??: But what we’re talking about doesn’t have (Inaudible) that she said.

MR. CZARAPATA: Correct.

MS. ??: So it would not calculate into if he left in two years, it doesn’t count into (Inaudible), he’s noting that kind of plan; right? I mean just for me to understand.

MR. ALLEN?: I’m directing to Dr. (Inaudible), I think that is the case.

MR. ???: (Inaudible).

MS. ???: Right.

MR. ???: (INAUDIBLE 15:34:17 through 15:34:57).

MS. ROTH: So for example, when -- if you look at Northern Kentucky the total compensation is $470,000 for their president, so whether or not you call it whatever you call it, that’s the total
compensation when our total compensation is 379,000.

MS. HENSON: And just by comparison, if you will, you know, revisit the information from the former president, whose salary was $709,000 with a $90,000 housing allowance and a $43,000 car allowance, you’d see what we have is -- that was over the top. And so, his salary that we offered Jay was intentionally lower, quite a bit lower, but because there has been no increase except for a tiny one in the past five years, you know, it’s time. And how do we -- not saying anything sends a message. So would -- could I entertain a motion. Let’s see, Damon, did you want to suggest --

MR. ALLEN: So I was going to suggest a motion that 30,000 and at least Dr. Box is consistent with his cabinet members; correct? Yes,
with the cabinet members. Is there an appetite for the 30,000 bringing him in line with the cabinet?

MS. ???: Mike, is the motion on the floor still to defer the modification?

MS. HENSON: No, there’s no -- that was not a second.

MR. CZARAPATA: No, that was not made a motion yet.

MS. HENSON: That was not made.

MR. CZARAPATA: And are you inviting discussion or are you making a motion?

MR. ALLEN: Let’s invite discussion first.

MR. ALLEN: So is there appetite for 30,000?

MS. ROTH: One is for this year, the other no matter what the end result of this discussion is doesn’t even begin for two years and we’re talking about --

MS. HENSON: And that could --

MR. ALLEN: I think this second part needs significant -- and more discussion.

MS. ROTH: I do too.
MR. ALLEN: We weren’t clear on what we came out of the August 5th meeting with.

MS. HENSON: And we can bring that back.

MR. ALLEN: Yeah.

MS. ROTH: But this is for now.

MS. HENSON: So any comment on having an executive supplement of 30,000?


MS. HENSON: Right. Okay. We hear that. Anybody else? Okay. So do we have that as a motion, Damon?

MR. ALLEN: I was hoping we’d have some discussion.

MS. ROTH: He was hoping we’d just get a feel for the Board, I think, and we’re not getting it.

MS. FINAN: What is the motion?

MR. MURRAY: No, motion has been made yet on that. It’s discussion.

MR. ALLEN: I guess I’m going (Inaudible) discussion to consider 30,000 or if the Board decides they want to go back and do more research or
form a sub-committee of just board members, something other than just leave it kind of hanging in the air. So what are ideas from people who think the package, you know -- who don’t like this recommendation, suggest some alternatives, even if it is convening a sub-committee and coming back. I mean I don’t want to let the dog out of the fight. I just want to make sure we’re doing the right thing and everybody’s view points are heard and considered.

MR. STEVENS: I think that the (Inaudible) KCTCS is very important and what we decide today will affect the (Inaudible) of KCTCS. Also the (Inaudible) that we provide to Dr. Box about how we feel about him and his leadership is equally important and I think we’re all very hesitant because it is a difficult balancing act between
 retaining him as president and
not misusing the funds that are
very scarce (Inaudible) that are
going to occur because of the
(Inaudible). I want to separate
these, because I agree that the
(Inaudible) especially when we’re
looking at the (Inaudible) while
we are (Inaudible). However, in
terms of just having that
executive supplement (Inaudible)
I think that perhaps more than
30,000 would be appropriate if
his cabinet members are receiving
30,000, but keep in mind that we
should very much so discuss and
review and look at that second
portion (Inaudible), because I do
not believe that that’s
necessarily what’s best for the
Commonwealth at the moment.
(Inaudible).

MS. HENSON: Thank you. And, again, as we
take off our hats of the
constituents we were elected by
or appointed by and we think about the message for the whole Commonwealth for -- this is our state institution, it’s not my institution as a private citizen or yours as a student or yours as a faculty or a staff, you know, this is the state’s and we were at the Top 10 -- in the Top 10 in three different big categories. How do we show that? And so, the first thing we can do is say, let’s put Dr. Box on the same playing field with the cabinet. So I think that’s kind of what we can do today and then we can come back with more study about, do we want to have a bonus or do we want to have deferred compensation. We had bonus as the first idea. A lot of the other presidents get a percentage bonus, but this is more of the -- the deferred compensation was more of a retention decision.
instead of the bonus. But I’d like us to consider acknowledging making a public statement that we give the executive supplement, so I’d like to entertain a figure, as you said, maybe more.

MR. STEVENS: I’d like to discuss 35,000, it is a simple gesture that Dr. Box is above his cabinet and that (Inaudible), but it is not excessive, it is not far and beyond what is given to cabinet members and it represents our support to Dr. Box and, again, (Inaudible). The implications of (Inaudible).

MS. HENSON: Do I take that as a motion?

MR. STEVENS: (Inaudible).

MS. HENSON: Do we have a second?

MS. DESMARAIS: Madam Chair, what is the motion please? I’m having a little trouble hearing that.

MS. HENSON: That we provide a line item as a recurring executive supplement of $35,000 payable immediately.
MS. DESMARIAIS: The figure is 35?

MS. HENSON: Yes.

MS. DESMARIAIS: Okay. Thank you for the clarification.

MR. MURRAY: The motion has been made. We need a second.

MS. HENSON: Who’s the second, please? Damon?

MR. ALLEN: I voted for 50. I’ll second 35.

MS. HENSON: Okay. Any discussion?

MS. FINAN: (Inaudible).

MS. HENSON: So what we will be doing is coming back.

MS. FINAN: (Inaudible).

(Over Talking)

MS. HENSON: I think that we’re going to -- as a result of this vote we will go back and appoint a sub-committee to look at these other -- the other part of the package.

MS. FINAN: (Inaudible)?

MS. HENSON: Yes.

MS. ALLEN: So you want to do it all at once?

MS. FINAN: I would do it all at once, because I don’t like not knowing what the second part is.
MS. ALLEN: Okay. So can we just form a sub-committee of the voting members and take the next two weeks and (Inaudible)?

MS. ROTH: I don’t agree with that. I don’t agree with that. I think if we leave this meeting without at least a vote on this first package, I think John has a very good point about sending a message and it’s a negative message if we leave this meeting without one dime in compensation added to Dr. Box. It’s a terrible message and I for one as a board member am going to be unable to justify that, about why we needed to go back and study. I understand that there’s confusion about the $100,000. I don’t disagree that that needs to be -- come back with a recommendation that then we can discuss. But I cannot believe that $35,000 for something of
this nature would be difficult to vote on with or without the second part of this message. That $35,000 does not make it too rich a package, if you think that, then there’s no reason to come back with anything in the deferred comp area, because the deferred comp is not -- it’s retention, it’s trying to get Dr. Box to stay here two years and yet the message you’re sending by not voting him anything extra this year is, we don’t really care if you stick around for two years.

MS. FINAN: That’s not true.

MS. ??: It is true. That’s the message you’re sending.

(OVER TALKING).

MS. ??: Maybe in our minds the message is to the public to say that we are trying our very best to be the best stewards and in the same time to be fair. What has
happened with this conversation, and this is my point of view only, is that the words that have been used are trying to manipulate and force a vote that obviously there is not an appetite for here today from several members that who say, we want more time with this, we want more information for this and it has nothing to do with sending the wrong message.

MS. ???: But none of you came to the meeting, asked the questions or took the phone calls and I will tell you as past board chair I have lost patience with that. I don’t know what it is that makes you happy.

MS. ???: Can I ask for a break please?

MS. HENSON: Okay. We’ll take a five minute break.

(BREAK)

MS. HENSON: So we have a motion on the floor to have an addition of an
annually recurring executive supplement of 35,000 payable immediately. Is there any further discussion? A modest acknowledgment and putting Dr. Box on the same level as the cabinet. Okay. I’d like to call for the vote and we’ll do another roll call vote.

MS. ???: What was the motion?

MS. HENSON: The addition of an annually recurring executive supplement of $35,000 payable immediately. Okay. Are you ready for the vote? Okay. Oh, is there any more discussion?

MR. MURRAY: Okay. If we are ready for the vote. The motion is to add a recurring executive supplement in the amount of $35,000 for Dr. Box. Regent Allen?

MR. ALLEN: Aye.

MR. MURRAY: Lisa Desmarais?

MS. DESMARAIS: No.

MR. MURRAY: Karen Finan?
MS. FINAN: No.

MR. MURRAY: Wendy Fletcher?

MS. FLETCHER: No.

MR. MURRAY: Angela Fultz, abstained. Chris Girdler?

MR. GIRDLER: No.

MR. MURRAY: Mary Kinney, abstained. John McDermott?

MR. MCDERMOTT: Aye.

MR. MURRAY: Marcia Roth?

MS. ROTH: Aye.

MR. MURRAY: James Lee Stevens?

MR. STEVENS: No.

MR. MURRAY: Jackie Teehan?

MS. TEEHAN: Aye.

MR. MURRAY: Tammy Thompson, abstained. Mark Wells, abstained. Chair Henson?

MS. HENSON: I.

MR. MURRAY: The vote is 4 to 5. The motion fails.

MS. HENSON: So with that I will suggest that we have a compensation committee reconvened to study this and bring back a recommendation in December. Is that -- can I just...
do that or do we need to vote on that?

MR. MURRAY: Yes, you may do that as the Chair.

MS. HENSON: Okay. So we will reconvene. Is there anything else logistically we need to know about the (Inaudible).

MR. MURRAY: Well, we’re just on the first portion of that and we still have the second portion, which the Board voted to amend, so we’re now on the second portion, which is the deferred comp.

MR. CZARAPATA: Madam Chair, may I make a recommendation? Based on the discussion it sounds like there’s an appetite for a sub-committee to be formed of just the voting Regents to address this issue. If (Inaudible). So my recommendation would be we form a sub-committee of the Board with just the voting Regents to -- or maybe that’s to normal, but since
MR. MURRAY: That’s a recommendation.

MS. HENSON: Okay. It’s a recommendation and we’ll take that under consideration. So the constitution of that sub-committee should be voting Regents, is that what you’re saying?

MR. ALLEN: That’s what I think, but I don’t know how faculty (Inaudible). I don’t know enough about this process, but I think at least it needs to be the folks that get to vote on it, so they can have all their questions asked and answered.

MS. HENSON: Okay. We’ll consider that and thank you for that recommendation. Okay. Yes, okay. Dr. Box?

MR. BOX: Okay. Regents, I know this has been terribly uncomfortable for you, it’s been extremely uncomfortable to me and I want to
make some things perfectly clear
to all of you. I did not request
any change to my compensation
package. You compensate me very
well and I appreciate and I am
honored and privileged every day
to serve as your president, every
single day. In my opinion this
conversation should stop and
desist and Madam Chair I would
suggest you do not form a
committee to address this. This
board has sent the message that
needs to be heard and that’s --
understand that message. And so,
there’s no reason to bring this
back to the Board again. I think
the -- I was fine. I will tell
you I had already listed with
Vice President Ben Mohler
anything that you did for my
compensation, if you voted on it,
my wife and I were going to set
up an endowment for the Student
Leadership Program at KCTCS,
because my compensation is fine. And so, if you had done that that’s what my wife and I were going to do, but in light of these conversations for the last couple of hours I would recommend you do not consider any adjustment to my compensation for this next year. Thank you.

MS. HENSON: Thank you.

MR. FINAN: Dr. Box, that shows leadership to me. Thank you.

MR. BOX: You’re welcome.

MR. FINAN: Thank you for your comments.

MS. HENSON: Okay. The second part is actually still on the table, the addition of the $100,000 in that deferred compensation. So how would you like to proceed with that?

MS. ??: I would move to table it.

MS. HENSON: Okay. Damon, seconded it? Any discussion? All those in favor say I. Opposed? Okay. Thank you. And thank you Dr. Box for
your graciousness. We have a world class system and we want to keep it that way. As board members we’re all part of a big system from Pikeville to Paducah. So we’ll move on to the consent agenda. Are there any changes to the consent agenda? If there are no additional changes I’d declare approved by a unanimous consent. I’d like to call on Angela Fultz, Chair of the EEA Committee to make her report.

MS. FULTZ: Since this was a committee of the whole that met I’m going to make this super brief, because everyone has already heard about Box’s report and he briefed on the work from President Trump’s American Workforce Policy Advisory Board and the Kentucky Chamber’s Business Education Round Table and of the main recommendation that was made during the committee meeting was
I, BARBARA ANN LeROY, the undersigned Notary Public in and for the State of Kentucky at Large, certify that the foregoing transcript was prepared from a CD; that I was not present during the aforementioned matter; that the transcript was prepared under my direction and supervision and to the best of my ability to hear said CD.

My commission expires: March 9, 2023.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of office on this the ____ day of __________________________, 2019.

BARBARA ANN LeROY, FAPR, RPR, CLVS, KYCCR NOTARY PUBLIC, STATE-AT-LARGE, KENTUCKY ID #617880