Executive Summary
Kentucky Community and Technical College System (KCTCS)
Board of Regents Meeting – March 13, 2020
KCTCS System Office
Versailles, Kentucky

Meeting highlights:

• **Received an update on the Coronavirus.**
  All colleges within the system can move to online learning for two-three weeks beginning Monday, March 16. This decision was based on the request from Gov. Beshear and the Interim Commissioner of Education to public school systems across the state to move to online/remote learning. Plans are rapidly developing and being updated on a daily basis for the colleges and System Office.

• **Appointed an Interim KCTCS President.**
  The Board of Regents appointed KCTCS Vice President Paul Czarapata as interim KCTCS president beginning July 1 for a minimum of three months until a new KCTCS president is on board.

• **Discussed the 2019-20 KCTCS Budget Development Scenarios.**
  The Board of Regents discussed various scenarios for the development of the KCTCS 2020-21 operating budget. The Board discussed primary sources of revenue, including state appropriations and tuition revenue. The Board also discussed projected expenditures, including fixed cost increase in employee benefits, insurance, and utilities, and employee compensation.

  A 2020-21 KCTCS annual budget proposal will be presented to the KCTCS Board of Regents for action at the June 11-12, 2020, meetings.

• **Received information on the KCTCS Board of Regents 2021 Regular Meeting Calendar.**
  The KCTCS Board of Regents is mandated to meet quarterly. Regular meetings for 2020 are proposed for the following dates:
  - March 18-19, 2021
  - June 10-11, 2021
  - September 16-17, 2021
  - December 2-4, 2021

  The Board will adopt the 2021 regular meeting calendar at the June meeting.
• Received information on the Kentucky Employees Retirement System (KERS).

Per KRS 61.522(8) the KCTCS Board of Regents, if deciding to cease participation in KERS effective July 1, 2020 must pass a resolution to voluntarily cease participation and submit the resolution to the KERS on or after April 1, 2020, but prior to May 1, 2020. All information affecting the decision on whether to stay in or voluntarily cease participation with the KERS, including legislation currently being considered by the General Assembly and the Governor, will not be known until late April 2020. The outcome of such legislation could significantly affect KCTCS’s decision on whether to continue to participate or to voluntarily exit the KERS.

Two Resolutions were presented to the Board for information only: one that would authorize KCTCS’s cessation in KERS and one that would authorize KCTCS’s continued participation in KERS. These Resolutions will be considered by the Board at a specially-called meeting in late April.

KCTCS has experienced escalating KERS contribution rate increases for 20 years. In fiscal year 2000, the KERS contribution rate for KCTCS was 5.89 percent. The 2020-22 biennial projected rate is least 84.41 percent and could be significantly higher at 93.01 percent or more, pending the outcome of the 2020 General Assembly. At the 93.01 percent rate, the budgetary cost to KCTCS is expected to increase from $9.5 million annually to $16.0 million despite KCTCS limiting employee entry into a defined benefit plan of retirement in December 2013.

• Received an update on Compensation and Classification Phase II – Compression Adjustments.

Pay compression is the situation in which an organization has negligible differences in pay between people who have differing skill sets and/or experience levels within the same position level. This has occurred at KCTCS because the Commonwealth’s economic realities over the last decade have resulted in 1) employee pay raises not keeping up with increases in the market pay rate and 2) new hires hired in at levels similar to employees who have been with KCTCS for multiple years.

The Finance, Technology, and Human Resources Committee was provided with potential options related to Phase II of the Compensation and Classification Study – Compression Adjustment at its December 5, 2019, meeting. The committee requested staff revisit the options to find a potential solution that will include a broader range of compression adjustment for employees. Additionally, the committee requested scattergrams to illustrate the impact of each option for each pay band. This update was presented to the Finance, Technology, and Human Resources Committee and will be considered in the development of a proposed 2020-21 annual operating budget to be presented at the June 12, 2020 Board meeting.

• Discussed the 2018-19 Board Evaluation Outcomes.

Pursuant to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Comprehensive Standard, 4.2.g, the KCTCS Board of Regents is expected to define and regularly evaluate its responsibilities and expectations. The Board conducts an annual Board evaluation to meet this requirement and discussed the anonymous results in its Efficiency, Effectiveness, and Accountability Committee meeting (a committee of the whole).
The Board of Regents discussed opportunities for improved performance and practices and will be revisited again once a new System President begins their tenure. The annual evaluation will be moved to June, with the next to be conducted in June 2021.

- Approved a mission statement revision for Gateway Community and Technical College.

- Approved new academic programs.
The new programs approved by the KCTCS Board of Regents responds to a local needs survey in the college’s community.
  - Associate in Applied Science in Fixed Wing Flight Training for Madisonville Community College.
  - Associate in Applied Science in Helicopter Flight Training for Madisonville Community College.

- Ratified or approved new credit certificate programs, KCTCS colleges’ candidates for credentials, and personnel actions.
  - Ratified new credit certificate programs.
    Each certificate is applicable towards at least one degree program and is designed to be responsive to education and workforce needs in Kentucky, providing greater student access to quality programs. New certificate programs were ratified for Ashland Community and Technical College, Hazard Community and Technical College, Henderson Community College, Owensboro Community and Technical College, Somerset Community College, and West Kentucky Community and Technical College.
  - Approved KCTCS colleges’ candidates for credentials.
    For the period of October 3 – January 9, 2020, there were 8,180 credential requests (5,535 of which are unduplicated), including 4,741 certificates; 612 diplomas; 872 associate in arts; 559 associate in science; 1,393 associate in applied science; and, 3 associate in fine arts. Credentials are awarded to students upon certification that requirements for the credentials have been satisfactorily completed.
  - Ratified personnel actions.
    The KCTCS Board of Regents received a personnel report that included individual and summary personnel actions, some of which were academic and administrative appointments, reappointments, terminal reappointments, retirements, resignations, and non-renewal of appointments.

Other Highlights:

- Chair’s Report.
  Highlights reported by Chair Henson include:
    - The KCTCS Presidential Search Process.
    - The Announcement of a new Staff Regent, Rhonda Rose from Maysville Community and Technical College.
• **KCTCS President’s Report.**
  KCTCS President Jay K. Box provided updates on the System’s current activities, including information about “The Real World” new creative development, the new Center for Work-Based Learning at KCTCS, draft student loan cohort default rates, Coronavirus planning, and “Eat and Greets” in the Capitol Annex.

• **Received updates/reports on the following items:**
  - The KCTCS 2020 Legislative Agenda.
  - The KCTCS Strategic Plan for 2016-22.
  - Program Suspensions.
  - Academic Services.
  - Compensation and Classification – Phase II Compression Adjustments.
  - Administrative Services.
  - Technology Solutions.
  - Office of Audit Services.

• **Next Meetings – June 11-12, 2020.**
  The KCTCS Board of Regents will conduct its next regularly scheduled meeting at the KCTCS System Office in Versailles, Kentucky.