

MINUTES
Kentucky Community and Technical College System
Board of Regents Meeting
December 1, 2017

Board Members Present:

Ms. Lisa V. Desmarais
Ms. Karen A. Finan
Ms. Lisa V. Desmarais
Dr. Angela Fultz
Dr. Gail R. Henson
Ms. Mary R. Kinney
Mr. Barry K. Martin

Mr. Porter G. Peebles, Sr.
Mr. Gavin B. Posey
Ms. Marcia L. Roth
Mr. Ricky Lee Smith
Mr. James Lee Stevens
Mr. Donald R. Tarter
Ms. Tammy C. Thompson
Mr. Mark A. Wells

CALL TO ORDER

KCTCS Board of Regents Chair Marcia Roth called to order the meeting of the Kentucky Community and Technical College System Board of Regents at 9:00 a.m. (ET) on December 1, 2017. The meeting was held at the KCTCS System Office in Versailles, Kentucky. The press was notified of the meeting on November 22, 2017. Hon. Mike Murray, KCTCS General Counsel, served as parliamentarian.

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

APPROVAL OF MINUTES

Chair Roth asked if there were any corrections to the September 15, 2017, 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

Chair Roth welcomed guests to the meeting. She thanked KCTCS President Jay Box for hosting the Board for dinner Thursday evening. She also thanked the staff for their hospitality.

CHAIR'S REPORT

Chair Roth asked Regent Gail Henson to give an update on the presentation given at the Association of Community College Trustees (ACCT) Congress Session in Las Vegas, Nevada on September 27, 2017.

Regent Henson presented the Board with a handout with highlights from their presentation entitled, "KCTCS Project Go: How the Kentucky System Proposes to Address Housing and Food Insecurity to Educate and Lift Students." Regent Henson noted that the intent of the presentation was to elevate the awareness of socioeconomic status as a policy lever for diversity initiatives.

Chair Roth noted that the Board participated in a workshop on November 30, 2017 led by President Jay Box and Vice President Wendell Followell that focused on an understanding of the finances and budget of KCTCS.

Chair Roth announced that the next KCTCS Foundation Board meeting would be held December 5, 2017, at the KCTCS System Office.

Chair Roth distributed pledge cards for the KCTCS Foundation and encouraged the Board members to participate to achieve a 100 percent participation in giving.

PRESIDENT'S REPORT

KCTCS President Box introduced the President of Ashland Community and Technical College Dr. Kay Adkins; and President of Big Sandy Community and Technical College, Dr. Sherry Zylka, who were in attendance.

President Box provided an update regarding the Federal Tax Update. He also gave a handout to the Board about the *KCTCS at 20: Authentic Identity Project*.

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/201712.aspx>.

The complete President's Report presented at the meeting is available at: https://publicsearch.kctcs.edu/board/Board%20Meetings/2017/201711/01_Board/Presidents%20Report/December2017_President%27s%20Report%20for%20Web%20Posting_1.pdf.

RECESS

The Board recessed at 10:27 a.m. (ET) and reconvened at 10:41 a.m. (ET).

CONSENT AGENDA

Chair Roth asked if there were any changes to the consent agenda. There being none, the agenda was approved as presented.

EXECUTIVE COMMITTEE

Chair Roth called upon Executive Committee and Board of Regents Vice Chair Gail Henson to make the committee's report.

UPDATE: 2018 KCTCS LEGISLATIVE SESSION

Dr. Henson shared that the 2018 Kentucky General Assembly session is a biennial budget session. There is little to no money expected to be appropriated to higher education, given the current pension crisis.

The Governor has released a proposed pension plan, but a special session has not been set. A special session is becoming less likely with the holidays looming, but the Governor remains adamant one will occur before January.

Several Republicans have expressed concern about the proposal and said they will not vote for it as written.

Dr. Henson shared that House Speaker Jeff Hoover has stepped down from his leadership position, but did not resign his seat. There may be other leadership changes in the coming weeks.

Dr. Henson noted that on December 13, 2017 a legislative training session would be held at the System Office for college presidents and two staff members per college.

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

**FINANCE,
TECHNOLOGY, AND
HUMAN RESOURCES
COMMITTEE**

Chair Roth called upon Finance, Technology, and Human Resources Committee Chair Lisa Desmarais to make the committee's report.

**ACTION:
THE 2016-17
ANNUAL AUDIT
REPORT**

Ms. Desmarais shared that the workshop on KCTCS Financials was very beneficial to the Board.

RECOMMENDATION: That the KCTCS Board of Regents accept the financial audit results for the 2016-17 fiscal year.

Ms. Desmarais shared that the independent audit issued by Crowe Horwath, LLP is an unmodified opinion. This opinion means that the KCTCS financial statements present fairly, in all material respects, the KCTCS financial position on June 30, 2017. The KCTCS financial statements and the audit firm's opinion letter are included in the document titled *2016-17 Annual Financial Report*.

The audit firm has reported that there are no deficiencies in the KCTCS internal controls considered material weaknesses. The audit firm's management comment letter, KCTCS responses, and other related correspondence from the audit firm are included in the document titled *2016-17 Audit Correspondence*.

The audit firm has audited the KCTCS major federal programs in compliance with the requirements of the *U.S. Office of Management and Budget Uniform Guidance*. That audit report is in the document titled *Report on Audit of Institutions of Higher Education in Accordance with Uniform Guidance*.

Chair Roth called for discussion.

During discussion, it was noted that state appropriations have decreased over the last ten years and pension liabilities are increasing.

Chair Roth called for the vote.

VOTE: The motion was approved unanimously.

**UPDATE: KCTCS
QUARTERLY
FINANCIAL REPORT**

Ms. Desmarais reported that information for the first quarter of fiscal year 2017-18 (the quarter ending September 30, 2017) was derived from the KCTCS Administrative Financial System. The Statement of Revenues and Expenditures reflects the actual program and operational expenditures compared to the fiscal year 2017-18 budget approved by the KCTCS Board of Regents on June 9, 2017.

Total revenues of \$326 million reflect 38 percent of the budgeted revenue and appropriated funds. Current fund expenditures and budget reserve through the fiscal year total \$244 million, 29 percent of the expenditures budgeted for the year.

The Statement of Net Position, although not specifically required in the Board's Annual Budget Adoption Resolution, has also been included in the Quarterly Financial Report to give the Board a periodic snapshot of the KCTCS financial position using the most common accounting-based schedule. While significantly influenced by declining enrollment and associated tuition shortfalls, the reduction in state appropriation and the negative effect of the state's pension liability, KCTCS's Statement of Net Position remains fiscally sound at \$575 million as of June 30, 2017.

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

**UPDATE: FACILITIES
SUPPORT SERVICES
REPORT**

Ms. Desmarais noted that the Board members received a booklet online in the materials titled *Facilities Support Services and Sustainability Status Report*. It provides updates related to KCTCS capital construction projects; sustainability, including facilities utilization; and other initiatives, such as Environmental Health and Safety (EHS) and Crisis Management.

Ms. Desmarais shared highlights from the committee meeting including a summary of the status of KCTCS *BuildSmart* projects and Work Ready Skills Initiative Awards, property acquisitions and dispositions, Crisis Management and Environmental Health and Safety activities across the System, Emergency Operations Plans, and the facilities utilization metrics using the Higher Education Scheduling Index (HESI).

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

**UPDATE:
RESOURCE
DEVELOPMENT
REPORT**

Ms. Desmarais noted that the committee received an update on private giving and sponsored projects, grants, and contracts. Private gift income by donor purpose and source for the System and the donor source by college for each KCTCS college are presented in the report provided in the booklet in the Board online materials.

Ms. Desmarais shared that Sponsored Projects, Grants, and Contract funds are stated by source and purpose for the System Office in total; total awards to each KCTCS college are included in the report. The top grants and contracts received during the reporting period are highlighted. The report covers gifts from July 1, 2017 – November 10, 2017.

Chair Roth called for discussion.

During discussion, it was noted that KCTCS would be focusing on alumni outreach and gifts.

Chair Roth moved on to the next committee report.

**ACADEMIC AFFAIRS
AND CURRICULUM
COMMITTEE**

Chair Roth called on Academic Affairs and Curriculum Committee Chair Angela Fultz to make the committee's report.

**ACTION: NEW
PROGRAM
PROPOSALS-
ASSOCIATE IN
APPLIED SCIENCE
(AAS) IN
AGRICULTURAL
TECHNOLOGY FOR
ELIZABETHTOWN
COMMUNITY AND
TECHNICAL
COLLEGE**

RECOMMENDATION: That the Board of Regents approve an Associate in Applied Science (AAS) in Agricultural Technology with tracks in Agricultural Technology and Sustainable Agriculture for Elizabethtown Community and Technical College (ECTC) to be implemented in fall 2018.

Dr. Fultz noted that ECTC's service region (Hardin, Meade, Grayson, Larue, Nelson, Marion, Taylor, Washington, Hart, Breckinridge, and Green Counties), is home to 12,191 farms, spanning 1,839,717 total acres, and has an annual market value of products sold of \$526,853,000, crop sales of \$269,252,000, and livestock sales of \$257,601,000. Ninety-two percent of farm owners indicated that they needed a pipeline of educated and highly skilled workers to grow their agricultural business, which they currently do not have.

Dr. Fultz shared that Dual credit partnerships will be developed with area technology centers and high schools to facilitate seamless transition between high school and college agricultural pathways.

Dr. Fultz noted that ECTC would use Perkins funds and work with partners to provide the necessary funding and equipment to launch the program. Program costs will be built into the general operating budget. Additional revenue generated by students in the program as well as those taking pre-requisite courses in preparation to enter the program, will help offset program costs. ECTC is submitting federal grant proposals, proposals to foundations, individual donor solicitations, and grants from Kentucky agricultural organizations to further supplement the needed funding for this program.

MOTION: On behalf of the Academic Affairs and Curriculum Committee, Dr. Fultz moved that the KCTCS Board of Regents approve an Associate in Applied Science (AAS) in Agricultural Technology with tracks in Agricultural

Technology and Sustainable Agriculture for Elizabethtown Community and Technical College (ECTC) to be implemented in fall 2018.

Chair Roth called for discussion. There being none, she called for the vote.

VOTE: The motion was approved unanimously.

**UPDATE:
ECONOMIC AND
WORKFORCE
DEVELOPMENT**

Dr. Fultz noted that since fiscal year 2000-01, KCTCS has supported and funded workforce development training. As of October 12, 2017, 25 career pathway projects, 18 academic program development projects, and 1,969 business and industry training projects have been funded. These projects have provided training and assessment services for 258,823 participants.

From July 1, 2017, through October 12, 2017, KCTCS colleges awarded 9,167 hours of academic credit to 5,941 individuals and provided non-credit training for 3,701 individuals for 44,800 clock hours through workforce development training projects.

For fiscal year 2017-18, KCTCS has funded 33 business and industry training projects through October 12, 2017; the average wage is \$30.12.

Dr. Fultz shared a summary of a new project developed called *The BRIDGE Veteran's Resource Center Project*. Discussions have taken place between groups of stakeholders in both Kentucky and Tennessee on a proposed two-state solution to provide improved transition services at Fort Campbell.

Dr. Fultz noted that the Kentucky Federation for Advanced Manufacturing Education (KY FAME) is a work and learn model of technical education. It has grown from a model concentrated on advanced manufacturing to now include other industry sectors. The purpose of KY FAME is to implement career-pathway, apprenticeship-style educational programs that will create a pipeline of highly skilled workers. Currently, 10 FAME chapters are operational in KY, involving 12 KCTCSW colleges. Originally driven by the needs of Toyota, there are now 210 corporate members, with 103 of these companies sponsoring students in the program.

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

**UPDATE: STUDENT
SERVICES**

Dr. Fultz provided the following updates:

Cohort Default Rates

Final default rates were released on September 25, 2017, and were consistent with the projected draft rates released in February. The overall system average default rate dropped by more than 2.5 percent for the 2014 cohort.

KCTCS is pursuing all available appeal measures in an effort to reduce the final published rates. Eligible appeal measures include the following:

- Uncorrected Data Appeal
- Loan Servicing Appeal
- New Data Appeal
- Economically Disadvantaged Appeal

Southeast Kentucky Community and Technical College (SKCTC) Default Rate Update

SKCTC's most recent cohort default rate came in above 30 percent for the third consecutive year, which puts the college in jeopardy of losing eligibility for federal financial aid. Approximately 70 percent of SKCTC students rely on federal financial aid in order to attend; the loss of eligibility for federal aid will severely affect student access at SKCTC.

College and System Office staff, in conjunction with external vendors, are pursuing every available option to prevent this scenario. President Box has made several trips to Washington, DC to meet with staff of the Kentucky delegation, and congressional leaders to ask for support on behalf of Southeast and seek a legislative remedy to this undesirable outcome.

Centralized Processing Center Update

The fall 2017 semester marked the first full work cycle of the Central Processing Center (CPC), which launched in November 2016. The following results underscore the effectiveness of centralizing the processing of financial aid:

- The CPC achieved a 38 percent increase year over year in speed and efficiency processing student financial aid records.
- This increase was accomplished with 11 specialist, which represents about a two-thirds decrease in staff performing the same tasks in previous years.
- The CPC generated over 400,000 communications to students moving them through the financial aid process.
- The CPC produced over 56,000 Early Estimated Awards to students supporting recruitment and retention efforts.
- CPC efforts led to a 14.8 percent decrease in financial aid call volume at Blackboard during the week prior to classes beginning.

Virtual Student Services – Enrollment Coaching Project

Five KCTCS colleges (Elizabethtown Community and Technical College, Gateway Community and Technical College, Jefferson Community and Technical College, Maysville Community and Technical College and West Kentucky Community and Technical College) participated in an enrollment project in conjunction with the Blackboard Enrollment Management team

during the summer of 2017. Students selected by the colleges were contacted by Blackboard and coached through the enrollment process by trained enrollment coaches from June 8 – September 15, 2017. Those students that chose to work with a coach had access to that person through their first week of class. They assisted with admissions, financial aid, assessment, orientation, and other student questions, concerns and obstacles.

During the campaign, Blackboard contacted a total of 7,531 students who were current and former applicants that never enrolled, and prior students that had not yet enrolled for the fall 2017 semester. Of the 7,531 students, 987 students agreed to work with a coach; 2,454 coaching sessions were conducted and 483 students in the coached cohort ultimately enrolled. 1,249 students enrolled and the return on investment from the project, based on \$170 per credit hour was \$2,224,620.

Strategic Enrollment Management (SEM)

All KCTCS colleges are continuing an ongoing assessment process designed to ensure accountability for growing enrollments through SEM. To meet the expectation of increasing enrollment, KCTCS has initiated the first annual SEM assessment process. College responses have been received and System Office personnel will compile college feedback and generate an inventory of promising practices as well as a list of opportunities for continuous improvement.

Campus Diversity, Equity and Inclusion Plans for KCTCS Colleges

The Council on Postsecondary Board postponed action on the campus diversity, equity and inclusion plans for KCTCS and four universities (University of Kentucky, University of Louisville, Murray State University and Western Kentucky University) to more closely examine campus targets set in the various required metrics at their November 3, 2017 meeting.

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

**EXECUTIVE
SESSION**

Chair Roth 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: Mr. Peeples moved and Ms. Desmarais seconded that the KCTCS Board of Regents Executive Committee 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 Roth asked President Box and KCTCS General Counsel Mike Murray to participate in the Executive Session.

OPEN SESSION

The Board went into Executive Session at 11:56 a.m. (ET).

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

MOTION: Mr. Martin moved and Dr. Fultz 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 12:03 p.m. (ET).

Chair Roth 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 Roth announced that the next regular meeting of the KCTCS Board of Regents is scheduled for March 15-16, 2018 at the KCTCS System Office, Versailles, Kentucky.

ADJOURNMENT

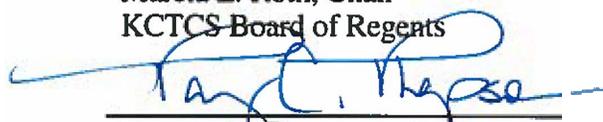
Mr. Stevens moved that the meeting adjourn. Mr. Smith seconded the motion.

VOTE: The motion was approved unanimously, and the meeting adjourned at 12:04 p.m. (ET).

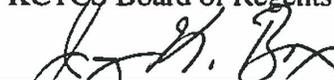
03/16/18
Date Approved by the
KCTCS Board of
Regents



Marcia L. Roth, Chair
KCTCS Board of Regents



Tammy C. Thompson, Secretary
KCTCS Board of Regents



Jay K. Box, Ed.D.
KCTCS President