

KCTCS Board of Regents
KCTCS President's Contract Review Committee Meeting
August 5, 2019

Committee Members Present:

Dr. Gail Henson, Committee Chair

Mr. Damon Allen

Mr. Barry Bishop, KCTCS Foundation Board

Mr. Porter G. Peeples, Sr., Former KCTCS Board Member

Ms. Marcia Roth

CALL TO ORDER

Chair Henson called to order the meeting of the Kentucky Community and Technical College System Board of Regents KCTCS President's Contract Review Committee at 10:02 a.m. (ET) on August 5, 2019. The meeting was held at the KCTCS System Office in Versailles, Kentucky. The press was notified of the meeting on August 1, 2019. Hon. Mike Murray, KCTCS General Counsel, served as parliamentarian.

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

There were no additions or changes to the agenda.

**ACTION: KCTCS
PRESIDENT'S CONTRACT
REVIEW**

Chair Henson noted that Regents on the Committee will recall the Board approved President Box's evaluation for the 2018-19 period at its June 13-14, 2019, meetings. After President Box received a highly favorable evaluation, former-Chair Roth announced that a special committee should be created to take a comprehensive look at the President's contract, in light of his comprehensive performance over the last five years, state and national trends, and, in comparison to other state system presidents.

Chair Henson shared that Regent Roth's term as Chair ended July 1, 2019. At the June 14, 2019, KCTCS Board of Regents meeting, Dr. Henson was elected as the new Board Chair. Upon her election, Chair Henson agreed that a special committee should move forward with a review of President Box's contract and thus appointed the members of the committee in late July. It was important, Chair Henson noted, that the committee include individuals external to the Board so that various perspectives could be provided and, therefore, Mr. P.G. Peeples, Sr. and Mr. Barry Bishop were asked to serve.

Chair Henson shared that the Committee is charged with reviewing matters of the president's contract, including compensation, for President Box, who was appointed by the KCTCS Board of Regents effective January 16, 2015. The Committee will make a report to the KCTCS Board of Regents at its September 20, 2019, meeting. If there is a determination that action is needed, that recommendation will

be voted upon by this Committee, and that recommendation will go forward to the full Board for a vote at the September 20, 2019, meeting.

Chair Henson briefly reviewed President Box's numerous accomplishments from the previous year and pointed out the strong tie his goals had to the 2016-22 *KCTCS Strategic Plan*, while he acutely focused on culture, efficacy, and impact. Chair Henson then called on KCTCS Vice President Wendell Followell to present survey data and information gathered on current compensation and contract trends for other state community and technical college systems similar to KCTCS and Kentucky's 4-year public higher education institutions.

Vice President Followell presented President Box's contract in comparison to contract summaries for (1) other community and technical college system presidents nationwide, (2) Kentucky's public university presidents, for the 2018-19 fiscal year, and (3) information on contract changes and salary increases for 2019-20 fiscal year, as available. A contract summary for the previous KCTCS President was also shared.

From the documentation presented, it was evident that presidential contracts greatly vary in their provisions and benefits and there is an innumerable amount of ways to reward an institution's president/CEO, including any consideration to revise President Box's contract, if the Committee deemed it fit to do so.

Chair Henson called for discussion.

During discussion, all Committee members reached the unanimous decision that President Box's compensation and contract needed some revisions to recognize and reflect the significant work he has completed in his tenure; specifically, hiring 15 out of 16 new college presidents, awarding credentials at a record high, and for his national leadership with Rebuilding America's Middle Class: A Coalition of Community Colleges and the national American Workforce Policy Advisory Board.

It was noted that President Box has not received a raise in three years; the market has become increasingly competitive for top executive leaders, including college presidents; and, to help retain a proven leader an institution has to be competitive with compensation and contract incentives such as executive supplements, retirement packages, and insurance.

Chair Henson called for a motion based on the Committee's discussion and a second.

MOTION: Mr. Bishop moved, and Mr. Allen seconded, that the KCTCS President's Contract Review Committee recommend that

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 called for a vote.

VOTE: The motion was approved unanimously.

Following the vote, Chair Henson asked the Committee to also consider the provision presently in President Box's contract regarding long-term care insurance. The Board is contractually obligated to provide long-term care insurance to President Box, provided he meets the stipulations set forth in the contract. He is on track to meet those stipulations as of January 15, 2020.

Vice President Followell presented information regarding long-term care insurance, including average lengths of stay and costs associated with such care in the state. He emphasized that in order to fulfill the terms of the contract regarding long-term care insurance, the amount of coverage and the length of the term of coverage needed to be determined by the Committee, so that he could begin the process of seeking formal coverage.

Chair Henson called for a motion and second in relation to President Box's long-term care insurance provision in his contract.

MOTION: Mr. Allen moved, and Ms. Roth seconded, that the KCTCS President's Contract Review Committee authorize KCTCS Vice President Wendell Followell to secure quotes for long-term care insurance based on three (3) years of care at the average coverage amount within the Commonwealth of Kentucky for single occupancy room, with the cost of purchase not to exceed \$150,000. Once quotes are secured, the information will be shared with the KCTCS Board Chair and President Box. The Board Chair is authorized to negotiate with President Box regarding this contract provision, including suggesting alternative provisions or a buyout.

Chair Henson called for a vote.

VOTE: The motion was approved unanimously.

Chair Henson noted Regent Allen will present the Committee's report to the Board on September 20, 2019.

ADJOURNMENT

Chair Henson called for a motion to adjourn.

MOTION: Ms. Roth moved, and Mr. Allen seconded, that the meeting adjourn.

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

08/19/2019

Date Approved by the KCTCS
President's Contract Review
Committee

SIGNATURE ON FILE

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